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TODAY:
HEALTH
SCIENCE
Intensive care for Paul Page

With Clinton in Israel, Hyde Calls on Him to Quit

Controversy Following President To Mideast

By John F. Harris
Washington Post Service

JERUSALEM — President Bill Clinton, appearing subdued and weary as the impeachment controversy shadowed his summit visit here, declared Sunday that he has never considered resigning, but added that he plans no campaign of personal appeals to legislators to save his office.

Questioned by Israeli journalists on possibility of his resignation, he said: "It's never crossed my mind."

At a news conference with Prime Minister Benjamin Netanyahu, the unfolding drama in Washington over Mr. Clinton's fate dominated even the equally uncertain drama over whether the Mideast peace process can be salvaged. Even Israeli reporters pressed Mr. Clinton about the controversy, prompting Mr. Netanyahu to plead for questions about rescuing the troubled Wye River agreement between Israel and the Palestinian Authority.

"It's out of my hands," Mr. Clinton said of the House vote this week on whether he should be impeached and forced to face a Senate trial. "If any member wishes to talk to me or someone on my staff, we would make ourselves available to them. But, otherwise, I think it's important that they be free to make this decision and that they not be put under any undue pressure from any quarter."

Over the space of 30 minutes, Mr. Clinton was both resigned and defiant. His first public comments on the House Judiciary Committee's vote last week, approving a resolution of impeachment, Mr. Clinton said he was "surprised by the action." "I think it's been obvious to anyone who is following it for weeks that the vote was foreordained."

At the same time, he rejected pleas by some uncommitted Republican House members and even some of his own advisers that he make a forthright statement acknowledging that he made false statements under oath in the Paula Jones lawsuit when he denied a sexual relationship with the former White House intern Monica Lewinsky.

"I can't do that because I did not commit perjury," said Mr. Clinton, adding: "Now, was the testimony in the deposition difficult and ambiguous and unhelpful? Yes, it was."

Mr. Clinton did make an oblique reference to a public statement one of his own attorneys, Charles Ruff, made last week acknowledging that "reasonable people" could conclude that what Mr. Clinton intended as "artful answers" crossed the line into perjury.

"I agree with what Mr. Ruff said about it," Mr. Clinton said. "I thought he did an admirable job acknowledging the difficulty of the testimony."

Mr. Clinton was pressed twice by Israeli journalists on whether he might follow the example of former President Richard Nixon, who resigned after the Judiciary Committee voted impeachment articles against him. To the first of

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Representative Henry Hyde, chairman of the House Judiciary Committee: "I think the president should step down. It would be heroic if he did that. He would be the savior of his party. It would be a way of going out with honor."

President Bill Clinton, who laid a stone of remembrance Sunday on the grave of Yitzhak Rabin, said in Jerusalem: "I have no intention of resigning. It's never crossed my mind."



Doug Miller/The Associated Press

Resignation Was Never An Option, Clinton Says

By Brian Knowlton
International Herald Tribune

WASHINGTON — Representative Henry Hyde, the Republican chairman of the House Judiciary Committee, called Sunday on President Bill Clinton to resign, saying that it would be a "heroic" gesture allowing him to leave office "with honor."

"I think the president should step down," Mr. Hyde said on television. "It would be heroic if he did that. He would be the savior of his party."

Mr. Clinton, speaking earlier in Jerusalem, said Sunday, "I have no intention of resigning. It's never crossed my mind."

Under Mr. Hyde's chairmanship, the Judiciary Committee voted after bitter partisan debate to approve four articles of impeachment against Mr. Clinton — two of them alleging perjury, one obstruction of justice and one abuse of power. All stem from Mr. Clinton's efforts to conceal his relationship with Monica Lewinsky, a former White House intern.

After Democrats were overridden on each of those votes — and on an attempt to propose a censure of the president as an alternative to impeachment — their ranking member on the committee, Representative John Conyers of Michigan, likened the process to a "coup."

Mr. Hyde has long enjoyed wide respect from members of both parties. But he has made clear his support for impeachment and his dislike for Mr. Clinton's conduct. His words in the House debate are likely to carry some weight among the 20 or so undecided Republicans who hold Mr. Clinton's fate in their hands.

Mr. Hyde said he would make the Republicans' opening presentation before the full House and probably the closing remarks as well.

He recommended resignation as "a quick and radical solution to the dilemma we face."

Thomas Mann, director of governmental studies at the Brookings Institution in Washington, called Mr. Hyde's call "irresponsible," coming as it did amid what is widely viewed as a partisan impeachment process and with the president abroad on a visit of state.

He suggested that Mr. Hyde's comments may reflect "a strategic motivation" in a sudden concern dawning on some Republicans that the process is spinning out of control and that if it reaches a Senate trial, angry voters — who condemn Mr. Clinton's personal behavior but support his presidency — might punish Republicans at the polls in 2000, throwing them back into the minority.

Only two other presidents, Andrew Johnson in 1868 and Richard Nixon in 1974, have come as far as Mr. Clinton now has down the perilous path toward removal from office.

The 435 members of the House of Representatives have been summoned to return to Washington for a historic

See IMPEACH, Page 3

A Peacemaker Finds the Moral High Ground

By Deborah Sontag
New York Times Service

JERUSALEM — President Bill Clinton may have left the United States on the heels of what one Israeli daily termed a congressional *infidada*, using the Arab term for uprising. He may have suffered a lukewarm greeting from a reluctant host, Prime Minister Benjamin Netanyahu. He may face very uncertain success rather than the triumphant celebration of peace originally envisioned.

But there is no question that Mr. Clinton is engaged in a critical salvage mission for the faltering peace

effort and that he has made himself an indispensable authority figure in the blood feud between the Israelis and the Palestinians.

It may seem a peculiar role for him at this moment, given his domestic troubles, but here Mr. Clinton is staking out the moral high ground.

On the eve of the Jewish holiday of Hanukkah, a newspaper cartoon in the daily Yedioth Ahronoth depicted the American president as a burning candle who has come to "dispel darkness" — as did the Maccabees in the revolt commemorated by the Feast of Lights.

Indeed, when Mr. Netanyahu and Mr. Clinton ad-

ressed a convention hall filled with teenagers Sunday, they were a study in contrasts.

In a calm but defensive speech, laced with attacks on the Palestinians, Mr. Netanyahu made clear to the youth of his country the mistrust that underlies his commitment to the peace effort. He spoke of the supposed freedom with which Palestinians could roam through Israel, visiting Tel Aviv or the beach at Netanya. But, in contrast, he said, "Well, you can enter Gaza, that's for sure, but getting out of there, that's a different story."

Mr. Clinton, on the other hand, gave an uplifting,

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AGENDA

Rebel Cuts Off Ties To Kurdish Conflict

TUNCEL, Turkey (Reuters) — The Kurdish rebel leader Abdullah Ocalan told a Kurdish television channel Sunday from detention in Rome that he was cutting off relations with the armed conflict between his Kurdish Workers Party and Turkey. "If the guerrillas want to continue what they have been doing for 15 years, then I have nothing to do with them," he told Med TV. He did not make clear whether he was surrendering control of the organization, which has both a political and a military wing.

All Eyes on Chiefs As Boeing Struggles

After an awful year of monumental production foul-ups, \$4 billion in unexpected accounting charges and lots of talk about illusive recovery plans, the news from Boeing Co. only seems to get worse. As the company's 13-member board is set to meet Monday, the ouster of a Boeing chief executive is being openly discussed by employees and on Wall Street. Page 13.



A FOLKSY DEMOCRAT — Governor Lawton Chiles, 68, of Florida died Saturday. Page 3.

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New Chance for Schroeder

German Presidency of EU Offers Opportunity For a Success That Has Been Elusive at Home

By John Vinocur
International Herald Tribune

VIENNA — Barely a month into his first 100 days as chancellor of Germany, Gerhard Schroeder has been widely marked down at home for having made a mediocre start. Taking up Germany's six-month presidency of the European Union, Mr. Schroeder may now find the task of moving Europe ahead easier to turn into what he can call a success.

In Europe, Mr. Schroeder has laid out the goal of reaching a compromise, if not a complete resolution, of the future financing of the EU by March. After a weekend summit meeting here, the undertaking, however complex and conflictual, appears within reach largely because the community's leaders are determined to protect the introduction of the new single currency from being damaged by talks so divisive as to create a crisis in early 1999.

Mr. Schroeder, with the kind of clarity and self-assurance that his critics say

has been missing from his formulation of domestic policy, pledged that a solution would come "even if it is at 3 or 4 in the morning" at a special summit meeting in Brussels in March.

If this is the case, by the end of Germany's six-month term in June, the EU should have a cost-agenda for its next six years, allowing for decisions on its expansion eastward, and the initial conceptual elements, in cooperation

EU leaders charting their war on unemployment. Page 5.

with NATO, for its own autonomous security force, backed by a foreign policy that could offer the community a single external voice for the first time.

The circumstances bear a trace of irony. With the exception of a promised employment package, possibly containing notions of wage, tax and social harmonization that may clash with some members' views of competition and free

See SCHROEDER, Page 6

Japan Nationalizes an Insolvent Bank

Tokyo Seeks to Show Resolve With Forcible Takeover of Nippon Credit

By Sandra Sugawara
Washington Post Service

TOKYO — Japan forcibly nationalized debt-ridden Nippon Credit Bank on Sunday, with the authorities declaring that the action was needed to prevent the collapse of the major bank from undermining the stability of the Japanese financial system.

"We were concerned that if we took no action it would cause financial turmoil," said Hideo Yanagisawa, the financial reconstruction minister who heads a newly formed bank restructuring commission.

Bank executives vigorously protested the government's action. "The government's decision was made in an abrupt manner, and it is extremely re-

grettable that our bank has been temporarily nationalized," said the president of Nippon Credit, Shigeoki Togo, according to the Kyodo news agency.

Nippon Credit rejected the government's request that the bank voluntarily apply for nationalization. As a result, the government forcibly put Nippon Credit under state control. The bank's management will resign.

The action follows the Oct. 23 nationalization of Long Term Credit Bank Ltd. of Japan. Mr. Yanagisawa said the moves demonstrated that the regulatory environment in Japan had changed dramatically and that the government would begin imposing rigorous standards on banks to try to win the confidence of financial markets.

Japanese banks have more than \$600 billion in bad loans that are not being repaid, threatening the stability of the financial system and undermining the country's attempts to emerge from recession. Because the Japanese economy is the second largest in the world, and its banks are major players in international financial markets, a series of bank failures could threaten the stability of global financial markets.

Japan has been under heavy international criticism for moving slowly to address its banking crisis.

Analysts estimate that a number of Japanese banks are insolvent and that other banks need to be nationalized to

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Newsstand Prices	
Bahamas	1,000 B.D. \$5.00
Cyprus	C.E. 1.00 \$2.00
Denmark	17 Dkr \$1.00
France	12.00 Ffr \$1.00
Germany	1.00 DM \$1.00
Greece	1,000 Dr \$1.00
Great Britain	1.00 £ \$1.00
India	1,000 Rs \$1.00
Italy	1,000 Lit \$1.00
Japan	1,000 Yen \$1.00
Korea	1,000 Won \$1.00
Spain	1,000 Ptas \$1.00
Sweden	1,000 Skr \$1.00
Switzerland	1,000 Sfr \$1.00
Taiwan	1,000 N.T. \$1.00
Thailand	1,000 Baht \$1.00
U.S.	\$1.00
West Germany	1,000 M. \$1.00
Yugoslavia	1,000 D.D. \$1.00

Alarm Grows as 3d Iranian Writer Is Found Dead

By Douglas Jehl
New York Times Service

TEHRAN — Three Iranian writers have disappeared in the last month, and now all three have turned up dead. In late November, an opposition leader and his wife were found murdered, stabbed to death in their Tehran home.

Not since the revolution nearly 20 years ago has Iran witnessed such eerie, unexplained violence. And more than at any time since the election of President Mohammad Khatami, hopes that Iran might be moving

toward a more tolerant new day are giving way to fears of dark times ahead.

"I, too, may disappear soon," said Firouz Goustan, the host of a weekend gathering that was part protest and part wake. More than 40 writers, poets, and other secular intellectuals turned up at Mr. Goustan's apartment, but none had dared to make the trip alone.

In an open letter to Mr. Khatami that was drafted during the session Sunday, the intellectuals appealed for government protection.

"We writers wish to call on the chief executive, who is in charge of ensuring the safety of all citizens, to

end this horrible situation by any means," they said.

The body of the latest victim, Mohammed Jafar Pouyandeh, a writer last seen Wednesday, was identified by relatives Saturday.

Family members said his body showed signs of strangulation, just as the dissident poet Mohammed Mokhtari, whose body was found last week, was reported to have been strangled.

Another writer, the dissident Majid Sharif, was found dead this month in what friends have said were

See IRAN, Page 6

Leader of IOC Threatens Expulsion of Bribe-Takers

By Christopher Clarey
International Herald Tribune

LAUSANNE, Switzerland — Juan Antonio Samaranch, president of the International Olympic Committee, threatened Sunday to expel any IOC members found guilty of taking bribes.

Samaranch was speaking at a press conference called hastily in response to a series of allegations by Marc Hodler, a former president of the International Ski Federation and the second-most senior member of the IOC.

Hodler, an 80-year-old Swiss lawyer with a desire for electoral reform, shook up a weekend meeting of the IOC's executive board by saying Saturday that vote-buying

has long been part of the bidding process for Olympic cities.

Hodler made that allegation and others during a series of remarkable conversations with reporters at Olympic headquarters in Lausanne.

"To my knowledge, a certain part of the votes always have been given through corruption," said Hodler, whose comments were unprecedented for an IOC member of his stature.

Hodler said that at least four individuals he termed "agents" have offered blocks of IOC members' votes to cities bidding for the Games in exchange for bribes ranging from \$500,000 to as much as \$5 million. Hodler said one of the agents was an IOC member, although he declined to identify him. "He promises that he will give enough votes so they can win," Hodler said.

Hodler, who is responsible for establishing the Olympic bidding procedures, said one of the agents claims that "no city has ever won the Olympic Games" without his assistance.

"The four agents, they make a living like that," Hodler said. "I missed a chance to be a rich man."

Hodler said he believes that "5 to 7 percent" of the IOC's 115 members ask for financial support in exchange for their votes. Without offering any specifics, he suggested that both Atlanta

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Impeaching the President / What People Think

On the Judiciary Panel, Common Ground Was in Short Supply

By Guy Gugliotta
Washington Post Service

WASHINGTON — Perhaps it was inevitable that the House Judiciary Committee would finish its impeachment deliberations mired in unseemingly partisan deadlock. Could ideological opposites ever hope to agree on "high crimes and misdemeanors," when the evidence was the fallout from a presidential sex scandal?

But it was Chairman Henry Hyde, Republican of Illinois, who repeated countless times that the impeachment of President Bill Clinton, as he said in a television interview in January, "has to elicit bipartisan support" or it is doomed. By that standard, the committee failed miserably.

On Saturday night, the committee finished its business by passing by a purely partisan vote a Republican article of impeachment charging Mr. Clinton with lying 10 times on a committee questionnaire. Then it killed by a nearly partisan vote a Democratic proposal for a resolution of censure.

Now the committee has left the scene, and the audience is left to ponder the outcome. In the face of widespread opposition, not only from Democrats but from a majority of the American public, committee Republicans passed four articles of

impeachment and sent them to the House floor, where a razor-thin majority of House Republicans will attempt to pass them this week.

How did this happen?

That the debate was partisan came as no surprise. "Given the cast, it's hard to see how the play could have turned out differently," said John Pitney, a Claremont-McKenna College political scientist. "Judiciary is a highly partisan committee having a debate after a highly charged election. It was ordained the committee would play out this way."

But Norman Ornstein, a scholar with the American Enterprise Institute, blamed the Republican leadership for setting the stage. By deciding in September to publish the report of the independent counsel, Kenneth Starr, sight unseen, Newt Gingrich of Georgia, the speaker of the House, forced a confrontation that did not have to happen, Mr. Ornstein said. That most Democrats voted with the Republicans made no difference.

"They knew the Democrats would have to vote for it, and they put the Democrats on the defensive immediately," Mr. Ornstein said. "They tried from the get-go to exploit this for partisan advantage."

The November vote brought losses for the Republican majority in Congress, virtually unheard-of in a nonpresidential election, spelling the end of Mr. Gingrich's House career. But the speaker-designate, Bob Livingston of Louisiana, has refused to take charge, and the decision on how to proceed was left entirely up to Mr. Hyde. According to Mr. Ornstein, Mr. Hyde dropped the ball.

"If you're going to be bipartisan, you try to get some Democrats together with some Republicans to make them part of the decision-making process," he said. "It's incumbent on the majority to bend over backwards."

The inclination was there. Two Republicans on the committee — Asa Hutchinson of Arkansas and Lindsey Graham of South Carolina — and two Democrats — William Delahunt of Massachusetts and Zoe Lofgren of California — formed a working group to build a bipartisan bridge within the committee, "but that never works without encouragement from the top," Mr. Ornstein said. Mr. Hyde over gave it, and the working group did not play a role.

But once in committee, others said, Mr. Hyde had an almost impossible situation on his hands. "It was tough," Mr. Pitney said. "He's in the position of a dean of faculty whose job de-

scription is herding cats. He's done O.K., but sometimes his exasperation shows."

And with reason, Mr. Pitney added. During the Watergate hearings in 1974, the impeachment event against which all others are measured, "the overall quality of the committee was much better."

The issues then were crime, civil rights and the judicial system, he said, and the committee drew members who were interested in blazing trails. "Today you've got constitutional amendments, and a whole host of hot button issues" that draw ideologues from both parties.

Also, said the political analyst Stuart Rothenberg, in 1974 "you had large numbers of truly liberal Republicans and southern Democrats" who had a lot in common and were able to work together.

Part of the grandeur of Watergate derived from the fact that it was able to be bipartisan," added a University of Virginia political scientist, Larry Sabato. "The Republicans were in awe of themselves by the fact that they were willing to cross the line and kill their own king."

There was none of that this time around. Instead, there were lines in the sand. Mr. Sabato and others pointed to Representative Bob Inglis, Republican of South Carolina, who drew a them-

and-us distinction between those who believe "there is absolute truth" and those who believe "everything is relative."

Or Representative Robert Wexler, Democrat of Florida, who implored "Wake up, America!" because articles of impeachment were going to be approved by an "elitist group" of committee Republicans that "has decided that they know better than you."

The inability of the committee members to find common ground was partly the fault of the panel and its ideologies, but it was also the fault of Mr. Clinton, who inspired visceral feelings that needed expression. Mix that with political considerations on both sides, and there was little possibility of a meeting of minds.

"For Republicans, the conviction is that Bill Clinton is fundamentally a bad man who committed crimes," Mr. Pitney said. "The politics is that the core" — meaning conservative "voters in the party want impeachment."

The Democrats, he continued, displayed a "high and low" mix of a different sort. "The conviction is the argument that there has to be a very high level of evidence for a high-level, impeachable offense," he said. "The politics is they don't want to give the Republicans a victory even if they know that Clinton is guilty as sin."

Voters Ignored?
Congress Isn't Listening,
Many Americans SayBy Lynda Gorov
The Boston Globe

BOSTON — The people have spoken, and many of them say Congress has ignored them.

"They are not doing what Americans want," said Ann Frickie, the postmaster of Burlington, Illinois.

A "witch-hunt," she called it. Steve Cullen, an Atlanta salesman who twice voted against President Bill Clinton, said, "What Clinton did was despicable, but what they're doing is totally deplorable."

He called it "politics masquerading as jurisprudence."

Hal Bollman, an air force nuclear-reactor operator from Napa, California, said he considered the impeachment hearings a sham and subversion of the people's will. Mr. Bollman said he did not like Mr. Clinton's dalliance with a White House intern or his refusal to confess afterward, but he said it was "time to move on."

"This has gone on long enough," he said. "People just want it to go away already."

Despite poll after poll showing that the American people do not want Mr. Clinton removed from office by impeachment and despite November election results sending the same message, the House Judiciary Committee has voted on party lines to do just that.

The charges: perjury and obstruction of justice. The message, said scores of voters from New York to Florida to Washington state in interviews over the weekend: Democracy has been hijacked.

"We elect Congress; they're supposed to listen to us," said Mike Owens, a Clinton supporter who works in the shipping and receiving department of a Seattle company. "If we say, 'Hey, don't pursue it,' then they shouldn't pursue it."

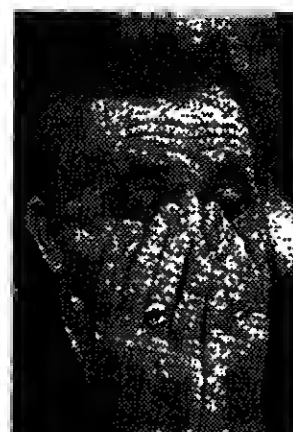
Frank Tiano, vice president of a Philadelphia pharmaceutical company, who did not vote for Mr. Clinton in either of the last two presidential elections, said: "There are things that Congress should be doing. I don't know if impeachment of the president is one of them."

For his part, Mr. Tiano said he favored impeachment, although he disliked the partisanship displayed in Washington ever since Mr. Clinton's sexual relationship with the former intern Monica Lewinsky became public in January.

Others said that Mr. Clinton needed to be punished, if only censured by Congress as the White House wants. But those declarations also tended to break down along party lines, with Republican voters wishing to see the president ousted and Democrats wanting to see him left alone to govern.



Steven Rothman, a New Jersey Democrat, before the House Judiciary Committee approved four articles of impeachment against the president.



Stephen Buyer, a Republican committee member.



Representative Bob Barr, Republican of Georgia, holding up a copy of the U.S. Constitution during the Judiciary Committee's impeachment hearings.

For Peggy Cozart, an Atlanta photographer and registered independent who did not vote for Mr. Clinton, what the people want is of little concern. What matters, she said, is that Mr. Clinton broke the law. He lied to the public and, worse, in a court of law during his testimony in the Paula Jones sexual harassment case.

"As a person who supports the constitution of the United States, I believe we have to go with the rule of law, despite the will of the people," Ms. Cozart said. "In the South, segregation was once the will of the people. The law doesn't have to do with what people think."

Still the \$40 million investigation by the independent counsel Kenneth Starr has not gripped the rest of the country as it has Washington. With the only charges at issue related to future sex in the White House, many voters said they had no interest in listening to the House Judiciary Committee hearings on radio or television.

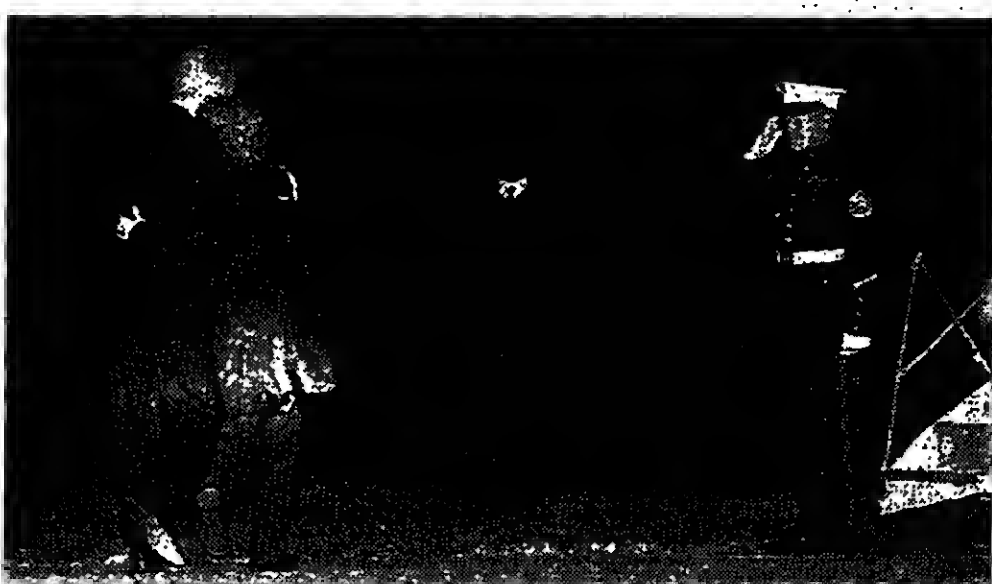
As Dano Weisbord, program director for the Family and Wilderness Foundation in Plymouth, Vermont, put it, "I'm not indifferent or angry; I'm fascinated but also bored."

The foundation's executive director, Rob Schultz, who is also a Democrat, said: "How could this be anything but partisan? I'm disgusted with the Republicans, but also with the Democrats for coming to Clinton's defense so thoroughly. He's a bonehead, missing a few important standards. It's disgusting partisan politics."

Among the people who oppose impeachment, the label "witch-hunt," arose again and again.

Quentin Holden, a high school history teacher in Atlanta, called the impeachment effort a vendetta by Republicans intent on evening the score for the forced resignation of President Richard Nixon.

Larry Crenshaw, an environmental writer and consultant from Birmingham, Alabama, called the impeachment hearings a "ruse to attack and



President Clinton hugging his daughter, Chelsea, as they departed for the Middle East.

possibly destroy Clinton."

That is not to imply, however, that the people who continue to support Mr. Clinton or to oppose impeachment condone his behavior.

While many Americans interviewed said the fallout from the president's extramarital relations should be between him and Mrs. Clinton, they also said they found his behavior distasteful.

But few maintained that lying about such an affair was what the Founding Fathers had in mind when they penned the phrase, "high crimes and misdemeanors." Instead, time and again, they said that Congress had wrongly made the personal political.

A Global Yawn

World's Media Pay Little Heed

Reuters

LONDON — President Bill Clinton's woes at home drew scant sympathy or other reaction around the world Sunday, as newspapers largely buried news of the House Judiciary Committee's vote to impeach him or judged it inconsequential.

Several newspapers described Mr. Clinton's trip to the Middle East as a way of ducking the heat back home.

In Italy, a headline in La Repubblica read, "Escape to the Middle East for Clinton the liar." A headline in the leftist L'Unita said, "The president in Jerusalem to save peace and save himself."

The Egyptian opposition newspaper Al Akhbar ran a front-page picture of Mr. Clinton reading a list of accusations against him, with the caption, "Signs of regret on Clinton's face over his relationship with Monica."

The state-owned Al Akhbar carried a photo of the Judiciary Committee chairman, Henry Hyde, and a colleague discussing the charges, with the caption, "Wolves whispering."

South African newspapers paid little attention Sunday to the House proceedings, with only the Sunday Times slotting the story onto its front page under the headline, "Another nail in Clinton's coffin."

British newspapers largely ignored the event. In Russia, where newspapers are not published over the weekend, some morning television programs did not mention the vote.

"Clinton is already history," said the conservative Spanish newspaper ABC, adding, "Clinton's political mandate has ended. Citizens are showing more and more lack of interest for the troubles of a president whom they still back despite his lies and his latest melodramatic public appearances."

French media paid far less attention to Mr. Clinton's possible impeachment than to Monica Lewinsky's testimony. Most newspapers gave the story scant treatment.

In India, most newspapers carried news of the vote on the front page Sunday, but the display was subdued compared with the coverage of Ms. Lewinsky's revelations.

A headline in the Indian Express read, "Bill on his knees, Republicans are showing no mercy."

In Germany, the media have followed Mr. Clinton's latest travails with a mixture of fascination and incomprehension. The Welt am Sonntag newspaper said the Lewinsky scandal had become "a historic event" that will mark Mr. Clinton's tenure "in the history books forever."

It said the congressional impeachment probe could become a boomerang for those driving it forward: "Sooner or later they will experience the anger of the majority of the U.S. people, who have always clearly understood the scandal for what it is: a major private embarrassment."

TRAVEL UPDATE

U.S. Gulf Embassies Warn of Terrorism

RIYADH (AP) — U.S. embassies

in four Gulf countries said Sunday that they had information indicating the "strong possibility" of a terrorist attack at one or more U.S. targets in the region during the next 30 days.

A statement distributed to American citizens in Saudi Arabia, Kuwait, United Arab Emirates and Bahrain asked them to be on alert to "any suspicious activity and take precautionary steps to reduce the profile and vulnerability of any U.S. facilities."

The statement did not give details beyond saying that there is "a strong

possibility that terrorist elements are planning an attack against U.S. targets in the Gulf, possibly in the next 30 days." In Bahrain, the embassy said that 1,000 military personnel stationed in the country had been put under curfew and told not to gather in large numbers in public places. The 1,300 American civilians in Bahrain also are being discouraged from gathering in public places.

Security for the 40,000 Americans working in Saudi Arabia — along with 5,000 military personnel — has been a priority following two fatal bombings aimed at U.S. troops in the kingdom, in 1995 and 1996.

U.S. embassies in Nairobi and Dar es Salaam were bombed Aug. 7, killing 224 people and wounding 5,000.

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Israel, Russia.
WEDNESDAY: Bahrain, Bangladesh, Kazakhstan, South Africa.
FRIDAY: Burma, Niger.

Sources: J.P. Morgan, Bloomberg, Reuters

Editor's Note

A New York Times article published in the Nov. 7 International Herald Tribune about the dangers of doing business in Colombia described the kidnapping of the wife of a BASF chemical company executive and negotiations on her behalf by Control Risks Group, a multinational security service. A former governor of Antioquia said that the hostage, Brigitte Schone, was eventually released after Control Risks was elbowed aside by Werner and Isabel Mauss, a German couple, who paid a ransom of \$1.5 million.

In fairness, the newspapers should have sought a response from Mr. and Mrs. Mauss, who deny this account. They have since said that they became involved in the incident after the Colombian government sought German help in connection with peace negotiations with a rebel guerrilla movement. But the couple said that they had no role in the payment of any ransom and that the hostage-takers were common criminals, not anti-government rebels.

The article also referred incorrectly to Mr. and Mrs. Mauss's detention. They were held in jail for nine months, not briefly arrested. All charges against them have been dropped.

Correction

An article in the Saturday-Sunday editions misstated which member of the Essomba family died recently. It was Rene Essomba, a former International Olympic Committee member from Cameroon.

WEATHER

Forecast for Tuesday through Thursday, as provided by AccuWeather.

Europe	Today	Low	High	Tomorrow	Low	High	Day After	Low	High
Austria	20/11	10/5	20/11	20/11	10/5	20/11	20/11	10/5	20/11
Belgium	18/9	8/4	18/9	18/9	8/4	18/9	18/9	8/4	18/9
Denmark	18/9	8/4	18/9	18/9	8/4	18/9	18/9	8/4	18/9
France	18/9	8/4	18/9	18/9	8/4	18/9	18/9	8/4	18/9
Germany	18/9	8/4	18/9	18/9	8/4	18/9	18/9	8/4	18/9
Greece	18/9	8/4	18/9	18/9	8/4	18/9	18/9	8/4	18/9
Ireland	18/9	8/4	18/9	18/9	8/4	18/9	18/9	8/4	18/9
Italy	18/9	8/4	18/9	18/9	8/4	18/9	18/9	8/4	18/9
Netherlands	18/9	8/4	18/9	18/9	8/4	18/9	18/9	8/4	18/9
Portugal	18/9	8/4	18/9	18/9	8/4	18/9	18/9	8/4	18/9
Spain	18/9	8/4	18/9	18/9	8/4	18/9	18/9	8/4	18/9
Sweden	18/9	8/4	18/9	18/9	8/4	18/9	18/9	8/4	18/9
Switzerland	18/9	8/4	18/9	18/9	8/4	18/9	18/9	8/4	18/9
U.K.	18/9	8/4	18/9	18/9	8/4	18/9	18/9	8/4	18/9
U.S.	18/9	8/4	18/9	18/9	8/4	18/9	18/9	8/4	18/9

...to protect by Activated...

Unusually Dry Unusually Wet Heavy Rain Heavy Snow

North America

Showers and thunderstorms are likely across the Plains early this week, a few showers of rain and snow will cross the northern Plains by midweek. Mainly dry and continued unseasonably mild across Chicago, Toronto, New York City and Washington, D.C. Mild and dry in the West.

Europe

Relief and windy at times across the U.K. through a Scandinavian. A storm system will drop into the western Mediterranean and produce rain and snow to parts of Turkey. Mild across Paris with a few showers. Very mild and dry across Madrid. Cold in Moscow with snow from time to time.

Asia

Typical Asian continues progress weather towards Vietnam. Heavy rain and strong winds are expected across the region by tomorrow. Another cyclone may develop in the Arabian Sea. In India, Oran later this week couple of showers are possible in Hong Kong, and Singapore.

Maps, forecasts and data provided by AccuWeather, Inc. 01866 <http://www.accuweather.com>

North America

	Today	Tomorrow		Today	Tomorrow	
	High	Low	High	Low	High	Low
Anchorage	-19/1	-14/1	-19/2	-14/4		
Alaska	14/9	14/9	14/9	14/9		
Seattle	5/8	1/1	1/2	2/8		
Chicago	10/1	4/2	13/5	5/20		
Denver	17/2	5/1	19/1	8/7		
Dallas	19/1	4/2	19/1	4/1		
Delaware	20/1	12/4	20/1	12/4		
Honolulu	20/1	24/1	1	20/1		
Los Angeles	79/8	59/8	79/8	59/8		
Los Angeles	20/1	4/2	20/1	4/2		
Miami	20/1	17/2	20/1	10/1		
Minneapolis					7/24	2/9
Montreal					22/2	10/10
Norfolk					11/20	5/12
New York					12/14	12/23
Orlando					21/21	12/14
Portland					23/24	22/11
San Francisco					11/24	7/14
Seattle					6/12	9/13
Toronto					14/17	8/12
Vancouver					18/18	12/18
Washington					18/18	12/18

Asia						
	Today	Low	High	Tomorrow	Low	High
Algeria	18/9	8/4	18/9	18/9	8/4	18/9
Argentina	18/9	8/4	18/9	18/9	8/4	18/9
Australia	18/9	8/4	18/9	18/9	8/4	18/9
Bangladesh	18/9	8/4	18/9	18/9	8/4	18/9
Belgium	18/9	8/4	18/9	18/9	8/4	18/9
Brazil	18/9	8/4	18/9	18/9	8/4	18/9
Canada	18/9	8/4	18/9	18/9	8/4	18/9
Chile	18/9	8/4	18/9	18/9	8/4	18/9
China	18/9	8/4	18/9	18/9	8/4	18/9
Colombia	18/9	8/4	18/9	18/9	8/4	18/9
Costa Rica	18/9	8/4	18/9	18/9	8/4	18/9
Cuba	18/9	8/4	18/9	18/9	8/4	18/9
Denmark	18/9	8/4	18/9	18/9	8/4	18/9
France	18/9	8/4	18/9	18/9	8/4	18/9
Germany	18/9	8/4	18/9	18/9	8/4	18/9
Greece	18/9	8/4	18/9	18/9	8/4	18/9
Honduras	18/9	8/4	18/9	18/9	8/4	18/9
India	18/9	8/4	18/9	18/9	8/4	18/9
Indonesia	18/9	8/4	18/9	18/9	8/4	18/9
Italy	18/9	8/4	18/9	18/9	8/4	18/9
Japan	18/9	8/4	18/9	18/9	8/4	18/9
Korea	18/9	8/4	18/9	18/9	8/4	18/9
Malaysia	18/9	8/4	18/9	18/9	8/4	18/9
Mexico	18/9	8/4	18/9	18/9	8/4	18/9
Nicaragua	18/9	8/4	18/9	18/9	8/4	18/9
Norway	18/9	8/4	18/9	18/9	8/4	18/9
Peru	18/9	8/4	18/9	18/9	8/4	18/9
Poland	18/9	8/4	18/9	18/9	8/4	18/9
Portugal	18/9	8/4	18/9	18/9	8/4	18/9
Romania	18/9	8/4	18/9	18/9	8/4	18/9
Saudi Arabia	18/9	8/4	18/9	18/9	8/4	18/9
Spain	18/9	8/4	18/9	18/9	8/4	18/9
Sweden	18/9	8/4	18/9	18/9	8/4	18/9
Switzerland	18/9	8/4	18/9	18/9	8/4	18/9
Taiwan	18/9	8/4	18/9	18/9	8/4	18/9
Texas	18/9	8/4	18/9	18/9	8/4	18/9
Thailand	18/9	8/4	18/9	18/9	8/4	18/9
Turkey	18/9	8/4	18/9	18/9	8/4	18/9
Ukraine	18/9	8/4	18/9	18/9	8/4	18/9
USA	18/9	8/4	18/9	18/9	8/4	18/9
Vietnam	18/9	8/4	18/9	18/9	8/4	18/9

Africa						
Algeria	18/9	8/4	18/9	18/9	8/4	18/9
Angola	18/9	8/4	18/9	18/9	8/4	18/9
Benin	18/9	8/4	18/9	18/9	8/4	18/9
Burkina Faso	18/9	8/4	18/9	18/9	8/4	18/9
Cameroon	18/9	8/4	18/9	18/9	8/4	18/9
Cote d'Ivoire	18/9	8/4	18/9	18/9	8/4	18/9
Egypt	18/9	8/4	18/9	18/9	8/4	18/9
Ghana	18/9	8/4	18/9	18/9	8/4	18/9
Guinea	18/9	8/4	18/9	18/9	8/4	18/9
Guinea-Bissau	18/9	8/4	18/9	18/9	8/4	18/9
Kenya	18/9	8/4	18/9	18/9	8/4	18/9
Liberia	18/9	8/4	18/9	18/9	8/4	18/9
Madagascar	18/9	8/4	18/9	18/9	8/4	18/9
Mali	18/9	8/4	18/9	18/9	8/4	18/9
Morocco	18/9	8/4	18/9	18/9	8/4	18/9
Mozambique	18/9	8/4	18/9	18/9	8/4	18/9
Niger	18/9	8/4	18/9	18/9	8/4	18/9
Nigeria	18/9	8/4	18/9	18/9	8/4	18/9
Rwanda	18/9	8/4	18/9	18/9	8/4	18/9
Senegal	18/9	8/4	18/9	18/9	8/4	18/9
Sierra Leone	18/9	8/4	18/9	18/9	8/4	18/9
South Africa	18/9	8/4	18/9	18/9	8/4	18/9
South Sudan	18/9	8/4	18/9	18/9	8/4	18/9
Tanzania	18/9	8/4	18/9	18/9	8/4	18/9
Togo	18/9	8/4	18/9	18/9	8/4	18/9
Tunisia	18/9	8/4	18/9	18/9	8/4	18/9
Zambia	18/9	8/4	18/9	18/9	8/4	18/9
Zimbabwe	18/9	8/4	18/9	18/9	8/4	18/9

Latin America						
Argentina	18/9	8/4	18/9	18/9	8/4	18/9
Brazil	18/9	8/4	18/9	18/9	8/4	18/9
Canada	18/9	8/4	18/9	18/9	8/4	18/9
Chile	18/9	8/4	18/9	18/9	8/4	18/9
Colombia	18/9	8/4	18/9	18/9	8/4	18/9
Costa Rica	18/9	8/4	18/9	18/9	8/4	18/9
Cuba	18/9	8/4	18/9	18/9	8/4	18/9
Denmark	18/9	8/4	18/9	18/9	8/4	18/9
Ecuador	18/9	8/4	18/9	18/9	8/4	18/9
France	18/9	8/4	18/9	18/9	8/4	18/9
Germany	18/9	8/4	18/9	18/9	8/4	18/9
Greece	18/9	8/4	18/9	18/9	8/4	18/9
Honduras	18/9	8/4	18/9	18/9	8/4	18/9
India	18/9	8/4	18/9	18/9	8/4	18/9
Indonesia	18/9	8/4	18/9	18/9	8/4	18/9
Italy	18/9	8/4	18/9	18/9	8/4	18/9
Japan	18/9	8/4	18/9	18/9	8/4	18/9
Korea	18/9	8/4	18/9	18/9	8/4	18/9
Malaysia	18/9	8/4	18/9	18/9	8/4	18/9
Mexico	18/9	8/4	18/9	18/9	8/4	18/9
Nicaragua	18/9	8/4	18/9	18/9	8/4	18/9
Norway	18/9	8/4	18/9	18/9	8/4	18/9
Peru	18/9	8/4	18/9	18/9	8/4	18/9
Poland	18/9	8/4	18/9	18/9	8/4	18/9
Portugal	18/9	8/4	18/9	18/9	8/4	18/9
Romania	18/9	8/4	18/9	18/9	8/4	18/9
Spain	18/9	8/4	18/9	18/9	8/4	18/9
Sweden	18/9	8/4	18/9	18/9	8/4	18/9
Switzerland	18/9	8/4	18/9	18/9	8/4	18/9
Taiwan	18/9	8/4	18/9	18/9	8/4	18/9
Texas	18/9	8/4	18/9	18/9	8/4	18/9
Thailand	18/9	8/4	18/9	18/9	8/4	18/9
Turkey	18/9	8/4	18/9	18/9	8/4	18/9
Ukraine	18/9	8/4	18/9	18/9	8/4	18/9
USA	18/9	8/4	18/9	18/9	8/4	18/9
Vietnam	18/9	8/4	18/9	18/9	8/4	18/9

Oceania						
Algeria	18/9	8/4	18/9	18/9	8/4	18/9
Argentina	18/9	8/4	18/9	18/9	8/4	18/9
Australia	18/9	8/4	18/9	18/9	8/4	18/9
Bangladesh	18/9	8/4	18/9	18/9	8/4	18/9
Belgium	18/9	8/4	18/9	18/9	8/4	18/9
Brazil	18/9	8/4	18/9	18/9	8/4	18/9
Canada	18/9	8/4	18/9	18/9	8/4	18/9
Chile	18/9	8/4	18/9	18/9	8/4	18/9
China	18/9	8/4	18/9	18/9	8/4	18/9
Colombia	18/9	8/4	18/9	18/9	8/4	18/9
Costa Rica	18/9	8/4	18/9	18/9	8/4	18/9
Cuba	18/9	8/4	18/9	18/9	8/4	18/9
Denmark	18/9	8/4	18/9	18/9	8/4	18/9
France	18/9	8/4	18/9	18/9	8/4	18/9
Germany	18/9	8/4	18/9	18/9	8/4	18/9
Greece	18/9	8/4	18/9	18/9	8/4	18/9
Honduras	18/9	8/4	18/9	18/9	8/4	18/9
India	18/9	8/4	18/9	18/9	8/4	18/9
Indonesia	18/9	8/4	18/9	18/9	8/4	18/9
Italy	18/9	8/4	18/9	18/9	8/4	18/9
Japan	18/9	8/4	18/9	18/9	8/4	18/9
Korea	18/9	8/4	18/9	18/9	8/4	18/9
Malaysia	18/9	8/4	18/9	18/9	8/4	18/9
Mexico	18/9	8/4	18/9	18/9	8/4	18/9
Nicaragua	18/9	8/4	18/9	18/9	8/4	18/9
Norway	18/9	8/4	18/9	18/9	8/4	18/9
Peru	18/9	8/4	18/9	18/9	8/4	18/9
Poland	18/9	8/4	18/9	18/9	8/4	18/9
Portugal	18/9	8/4	18/9	18/9	8/4	18/9
Romania	18/9	8/4	18/9	18/9	8/4	18/9
Spain	18/9	8/4	18/9	18/9	8/4	18/9
Sweden	18/9	8/4	18/9	18/9	8/4	18/9
Switzerland	18/9	8/4	18/9	18/9	8/4	18/9
Taiwan	18/9	8/4	18/9	18/9	8/4	18/9
Texas	18/9	8/4	18/9	18/9	8/4	18/9
Thailand	18/9	8/4	18/9	18/9	8/4	18/9
Turkey	18/9	8/4	18/9	18/9	8/4	18/9
Ukraine	18/9	8/4	18/9	18/9	8/4	18/9
USA	18/9	8/4	18/9	18/9	8/4	18/9
Vietnam	18/9	8/4	18/9	18/9	8/4	18/9

THE AMERICAS

Solemnity and Uncertainty Settle Over Impeachment Case

By Adam Clymer

New York Times Service

WASHINGTON — A touch of dignity and a heavy dose of uncertainty is surrounding the capital as what seems to be the only city in the United States that takes impeachment seriously looks toward a House vote on articles calling for President Bill Clinton to be removed from office.

While few are predicting the result with much confidence, there is one area of agreement — that the outcome depends on a dozen, or 20, maybe even 30, undecided members of the House of Representatives.

But that is where broad generalizations break down — as they have throughout this 11-month agony. The best example came Friday, when Mr. Clinton's latest apology speech was dismissed as a failure, because he did not say "I committed perjury" or "I lied" or even "I did not tell the truth."

Several Republicans said they might have been won over by such a confession, and they were disappointed. But that hardly proves that other times in the speech, the greater level of expressed sorrow and even the apology for putting the country through such a mess, did not matter, either by persuading some other member or by keeping someone on the fence.

For this process is now in a singular

stage, where hundreds of White House officials, and reporters and politicians deal with a speech heard by several million people, and no more than 30 of the potential listeners matter.

They are individuals, and even friends who know them well do not know just what will move them when they have to vote this week. For some it might be an admission: others may still be wrestling over the strength of the evidence or whether the offenses alleged rise to a level demanding impeachment.

One obvious example is Representative Robert Ney, who said after the speech that he was disappointed that Mr. Clinton had not said, "I didn't tell the truth under oath." But, the Ohio Republican said, "It didn't alter me in any direction."

Mr. Ney really seems to be worrying about how he ought to vote, a position that leaves him vulnerable to a clamor from the right, which generally approves his conservative voting record. To him, this is a solemn occasion.

The House Judiciary Committee seemed to be grappling with solemnity Saturday, too, after days of debate in which opposing arguments were ridiculed as "smoke screen" or "shell game." Representative Charles Schumer, the Democratic senator-elect from New York, said an abuse-of-power count was so broad that its terms could

apply to George Washington and every president since him.

Representative Howard Coble, Republican of North Carolina, sometimes a fierce attacker, insisted, "I'll have knots in my guts next week when I cast my vote," and added, "I don't take this lightly at all." He said the last time he felt an issue so heavily was nearly eight years ago when he voted to send U.S. troops into combat in the Gulf.

But while the committee's often petty and almost always partisan and personalized consideration of the question may be weighed in history, it probably has no impact whatever on what comes next.

By now most members of the House have made up their minds on charges, either on the evidence or on their sense of political survival. In the insular world of the House of Representatives, few members really have to fear the other party.

Among the Republicans re-elected last month, for example, only 10 won with 52 percent or less of the vote. Among the Democrats, only five did.

But there are risks in going against your own party. One is the dim of complaint from old supporters. Another is a possible primary challenger.

So the focus comes back to those 30 or fewer truly undecided members — most, but not quite all, of them Republicans.

Some Republican leaders seem sure that defections will be few enough that

they will win the impeachment vote. They are plainly trying to build momentum with a series of announcements from members who say they were previously undecided. Some were; some were just unannounced.

They count on pressure from the Republican base, and they sometimes use the argument that the vote is really inconsequential because the Senate will ultimately acquit the president.

For the White House and the Democrats, the issues are more complex. Their target is 11 more Republican defectors than Democrats who desert the president.

This White House has always had dismal relations with House Republicans and knows few of them well. It is hard to find a way to approach them directly. But there are some guarded hopes among those involved in preserving Mr. Clinton's presidency from impeachment and trial.

One belief is that most of the people who say they are undecided really are.

The second, more dubious hope is that the speaker-designate, Bob Livingston of Louisiana, will have to confront a group of fence-sitters demanding a chance to vote for censure, and arguing that without one they — and with them the Republican majority — are at risk in 2000.

But Mr. Livingston made it clear Saturday night that he would fight against

that option, and it is a fight he will very likely win.

Some of their hopes are even more uncertain. They maintain that the public will be alerted by the committee votes, angrily discovering that the impeachment after the elections is real after all.

The White House hopes that such a suddenly intense unhappiness will be communicated to members. Once again, just as with the issue of how Mr. Clinton described his dubious statements about his affair with Monica Lewinsky on Friday, this is not something that can be measured on a national scale. If three old friends came up to one wavering Republican after church Sunday and were furious about impeachment, that could decide one vote.

But Washington's expectations about the country's mood have proved wrong all year long — and the polls that show the public does not want Mr. Clinton thrown out do not reflect much intensity. Except among blacks, it is hard to locate pockets of dedication to Mr. Clinton.

Another argument to be used — and perhaps by the president if he is heard from again before the House vote — is that the country and the Congress should not be distracted from real business by the debilitating experience of a Senate trial, with the undertone that the exercise is pointless because everyone knows how it will come out.

POLITICAL NOTES

Livingston Digs In: Impeachment Only

HAMMOND, Louisiana — Representative Bob Livingston, the incoming speaker of the House, said over the weekend that he adamantly supported impeachment of President Bill Clinton and would fight to prevent a censure resolution from a vote in the full House.

After the House Judiciary Committee voted Saturday night to bar a censure resolution offered by Democrats, Mr. Livingston said for the first time that he considered it to be an attack on the rules, and therefore an attack on the speaker and on the majority party. (NYT)

One Republican Who Is Pro-Censure

WASHINGTON — Representative Peter King, Republican of New York, has emerged as the leading Republican voice in Congress for punishing President Bill Clinton through some means short of impeachment.

He remains one of only five Republicans who have publicly said they would vote against impeachment, and is telling his party colleagues that they are driving themselves toward minority status by defying what he sees as the public's deep animosity toward impeachment.

"When we elect a Republican president," he said, "I just imagine some left-wing group or some liberal Democratic foundation sponsoring a lawsuit against the next president. I just envision payback time for the Democrats." (NYT)

Quote/Unquote

Barney Frank, Democrat of Massachusetts, a member of the House Judiciary Committee: "I am struck by those who have argued that censure is somehow an irrelevancy, a triviality, something of no weight. History doesn't say that. There are two members of this House right now who continue to play a role, who were reprimanded for lying: myself and outgoing Speaker Gingrich. We both were found to have lied not under oath, but in official proceedings, and were reprimanded. I would tell you that having been reprimanded by this House of Representatives, where I'm so proud to serve, was no triviality." (WT)

IMPEACH: Resignation Advised

Continued from Page 1

state. They are expected to vote Thursday, probably considering each article separately.

If a majority of members approves at least one article, the Senate will hold a trial, which a Republican leader indicated Sunday could last three or four months.

Sixty-seven of the 100 senators would have to vote to remove the president. That is considered unlikely. It would be a first in U.S. history since Mr. Johnson escaped conviction by one vote and Mr. Nixon resigned before the full House voted.

Republican leaders said again Sunday that the outlook in the House was too close to call. John Podesta, the president's chief of staff, said that "things are a little bit up for grabs." But House Democrats expressed scant confidence that the president would prevail there.

"Unless there is a fairly large outcry from the American people, the likelihood is that the House will vote for at least one article of impeachment," Representative Charles Schumer, Democrat of New York, said Sunday. He is a member of the Judiciary Committee and, as a senator-elect, could end up voting in a Senate trial.

Amid signs of rising public weariness of the dramatic stakes, phone calls, faxes and e-mails from citizens have been pouring into offices of House members. Phone circuits in part of Washington crashed Friday as thousands of viewers of the C-Span cable channel, which relayed the Judiciary Committee's debate and vote, tried to register their opinions.

Opinion polls continue to show roughly two-thirds of Americans opposed to impeachment, while similar numbers favor censure.

Mr. Mann, a former executive director of the American Political Science Association, said of the impeachment process, "I think it's going to scare people in the country — it's just going to scare them something tremendous."

Asked whether Republicans might pay a price in 2000 for pushing impeachment, Representative Tom DeLay, the Republican whip and a leader of the impeachment push, shrugged off such talk.

"I really don't know," he said. "I don't really care. This is too important to worry about politics or a poll."

He reiterated his opposition to a censure vote, calling it unconstitutional and "a horrible precedent." The incoming speaker of the House, Representative Bob Livingston of Louisiana, explicitly joined him during the weekend by saying that he would not allow such a vote.

But the House minority leader, Representative Richard Gephardt of Missouri, said that Democrats would use a parliamentary maneuver in an attempt to propose censure and could succeed with the backing of a few Republicans.

Mr. Hyde suggested that Mr. Clinton could spare himself, his party and the country the agony of a Senate trial by resigning.

"It would save the country a lot of turmoil and tumult," he said.

"It would be a way of going out with honor," he continued. "If he doesn't, it's hard to predict what the consequences will be."

Mr. DeLay, a fierce critic of Mr. Clinton's, also urged him to resign.

Mr. Clinton sought Friday to defuse the impeachment drive by expressing, in a hastily called Rose Garden appearance, his willingness to submit to "re-buke and censure."

But he declined to say that he had repudiated himself, as many Republicans have insisted he must do, and he made his stance even clearer Sunday.

"I cannot admit to doing something that I am quite sure I did not do," Mr. Clinton said.

Mr. Clinton said.

Mr. Clinton said.

Mr. Clinton said.

Mr. Clinton said.

Mr. Clinton said.

Mr. Clinton said.

Mr. Clinton said.

Mr. Clinton said.

Mr. Clinton said.



HUNGER STRIKE — Maria Emilia Marchi of Chile and eight other convicted kidnappers are being force-fed in Sao Paulo after a month on a hunger strike.

Governor Chiles of Florida, 68, Dies

Compiled by Our Staff From Dispatches

TALLAHASSEE, Florida — Governor Lawton Chiles, 68, a folk song Southern Democrat dubbed "Walkin' Lawton" for crisscrossing the state on foot in his first U.S. Senate campaign, died Saturday.

Mr. Chiles, governor for the last eight years, was found next to his cycling machine in the governor's mansion gymnasium. He apparently died of a heart attack, his chief of staff said.

Mr. Chiles was scheduled to leave office next month, to be succeeded by Jeb Bush, a Republican.

Lieutenant Governor Buddy MacKay, who lost to Mr. Bush last month in the race for governor, was sworn in Sunday to complete Mr. Chiles's term.

Known for his folksy wit, Mr. Chiles was remembered by friends and foes alike as a politician who thought on his feet and could make complex issues understandable to the people.

In a statement issued by the White

House from Israel, President Bill Clinton said: "Lawton never forgot the thousands of ordinary citizens he met as he walked the highways and backroads of his state whom he served so well. And they will never forget him."

Scores of mourners left candles, flowers, notes and cards at the wrought iron gate in front of governor's residence. Flags were lowered to half-staff at all state office buildings in honor of Mr. Chiles.

His political career started in 1958 when he was elected to the state House of Representatives at the age of 28. He was elected to the U.S. Senate in 1970 and served three terms, defeating an incumbent Republican for the governor's seat in 1990.

Mr. Chiles was a moderate, plain-speaking Democrat at a time when his state was becoming increasingly Republican.

He was a champion of children's and family issues, both as a U.S. senator, when he fought for Medicaid reform, and as state governor, when he

sought increased funding for prenatal care and childhood immunizations.

The greatest triumph in a 40-year career was winning a multimillion-dollar lawsuit against the tobacco industry. In February 1995, the state filed suit against the tobacco industry to recover billions of dollars spent on treating patients suffering from smoke-related illnesses.

After a long legal struggle, the tobacco industry agreed in August 1997 to pay Florida \$11.3 billion over 25 years. Mr. Chiles called the victory "the best fight of my life."

Mr. Chiles scored his most impressive election victory in his 1994 re-election as governor, when he stood alone in statewide races among large-state Democratic incumbents against a Republican tide, defeating Jeb Bush in the closest governor's race in Florida history.

Mr. Chiles survived on a voting coalition of blacks, retirees and the moderate middle class throughout his career, even in the ascendancy of Republicans. (AP, Reuters)

Morris Udall, 76, Liberal Voice In His 30 Years in Congress

The Associated Press

WASHINGTON — Former Representative Morris K. Udall, 76, a 30-year congressman who championed environmental causes and wryly lamented that he was too funny to be president, died here Saturday after a long struggle with Parkinson's disease.

A Democrat and member of one of Arizona's best-known families, Mr. Udall remained one of the most consistent voices of liberalism in the House, whatever the political winds sweeping the country.

"Morris Udall represents everything a lawmaker should be," President Bill Clinton said in 1996, when he awarded Mr. Udall a Presidential Medal of Freedom. "His work is a gift to all Americans." Mr. Udall was unable to attend the Washington ceremony because of poor health.

During the 1970s, he failed in two tries to win election as speaker of the House, and he ran unsuccessfully in 1976 as a liberal alternative to Jimmy Carter in the Democratic presidential primaries.

Known as "Mo," Mr. Udall was a Lincolnesque figure with a self-deprecating wit and easy manner. He was in demand as a master of ceremonies at many Washington events, where his humor often was the highlight of an evening.

Last month, his son, Mark Udall, was elected to Congress from Colorado, and his nephew, Tom Udall, was elected to Congress from New Mexico.

Mr. Udall's health had deteriorated markedly in recent years as a result of arthritis and progressive worsening of Parkinson's disease. He announced his

1990 re-election bid by saying, "I stand before you today with a painful old back, loaded with arthritis, one eye — but, considering the alternative, I feel pretty damn good."

But in January 1991, Mr. Udall broke a shoulder and some ribs and suffered a concussion in falling down stairs at his home in Arlington, Virginia. In April 1991, he announced his resignation from Congress, effective the following month.

He achieved notable successes in the House, although he never moved into the highest echelons of power and his political career was marked by disappointment.

Mr. Udall was particularly effective as chairman of the Interior Committee, a position he had held since 1976. He shepherded passage of a measure to designate 8 million acres of federal lands as wilderness in 1984; a ban on development on millions of acres in Alaska in 1980; strip-mining control legislation in 1977; and a nuclear waste management policy in 1982.

In other areas, he was a leader in the passage of civil service reforms to promote merit pay and more flexibility for managers, and he sponsored campaign finance reform laws that Congress adopted in 1974.

He also sponsored legislation on presidential primaries and newspaper ownership, and dozens of bills to benefit Indians.

When his brother Stewart, then a congressman, was asked to serve as President John F. Kennedy's secretary of the interior in 1961, Morris Udall ran for the seat in a special election.

Low Grade, 91, Television Tycoon

The Associated Press

LONDON — Low Grade, 91, the cigar-chomping entertainment tycoon who founded Britain's first independent television company and whose projects included the TV series "The Saint" and the movie "On Golden Pond," died of heart failure Sunday in London.

Lord Grade, the son of immigrants from Ukraine, was raised in London's East End. He gave up an early career as a

dancer to start a small show-business agency office in 1934.

Twenty-one years later — and a lineup of contracts with stars who included Edith Piaf, Judy Garland, Mario Lanza and Bob Hope — Lord Grade founded Associated Television, the first commercially funded channel to face the formidable competition of the BBC.

Lord Grade, who was knighted in 1963 and given a life peerage in 1976, never stopped working. His last movie, a weepy called "Something to Believe In," was made this year.

Through ATV and later companies, Lord Grade brought to millions a string of TV shows that became household names. They included "Jesus of Nazareth," directed by Franco Zeffirelli in 1975. His current company, The Grade Company, co-produced "Starlight Express" on Broadway in 1985.

Enrique Martinez, 72, a ballet dancer and rehearsal director at American Ballet Theatre who staged the classics for ballet troupes in North and South America and in Europe, died of hepatitis on Nov. 17 in New York.

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Away From Politics

Plummeting robberies and murders helped lower the number of U.S. violent crimes in the first six months of this year, extending a downward trend that began in 1992, the FBI said. It said robberies nationwide decreased 11 percent, while murders declined 8 percent from January through June, compared with the same period in 1997. (Reuters)

The first two building blocks of the international space station were due to be released into orbit after two astronauts completed their construction work

ASIA/PACIFIC

Thai Airport Had Shut Storm-Landing Guide

Compiled by Our Staff From Dispatches

SURAT THANI, Thailand — Equipment to allow aircraft to land safely in bad weather was removed from the airport here six months before a Thai Airways plane crashed Friday, killing 101 people, aviation sources said Sunday.

The plane, an Airbus A310-200, made two failed attempts to land in heavy rain at the airport in this southern Thai town and was attempting a third approach when it crashed into swamp-land about three kilometers away and burst into flames. Forty-five people on board Flight TG261 survived.

Surat Thani airport's Instrument Landing System had been removed during construction work to extend its runway, according to an air-traffic control official at the airport.

A Thai Air Force pilot who flew into the airport Sunday said the removal of the system meant that pilots had to use a less accurate radio navigation system that relies on a visual sighting of the runway once the aircraft has descended to 500 feet (150 meters).

"The only system working at the airport is the radio system," he said, adding that in bad weather all pilots prefer the Instrument Landing System over the radio system.

Survivors of the crash said the pilot had complained of poor visibility.

The air force pilot said that the radio

system guided the aircraft in a diagonal rather than straight approach to the runway and that a visual sighting of the landing strip was needed to adjust the flight path for a straight landing.

All pilots, both civil and military, had been informed that the Instrument Landing System was not operating at Surat Thani and that they needed to rely on the radio system and runway landing lights, the air force pilot said.

The Thai Airways pilot had told passengers that if he could not land on his third attempt he would return to Bangkok.

Officials at the airport and at Thai Airways have declined to provide details of the navigation system except to say that the radio navigation system at Surat Thani was functioning normally.

Some of the survivors insisted that the Thai Airways pilot, Flight Lieutenant Pait Wechasilpa, who was killed, should have headed for nearby Phuket or back to Bangkok instead of making a third attempt to land.

Andrew Sharrock, an Australian survivor who suffered gashes, bruises and a broken nose, also blamed pilot error for the crash.

"I was worried after the first landing attempt when the pilot pulled back hard and we went almost straight up," he said from his bed at a hospital in Surat Thani. "He did the same thing again on



Thai soldiers in mud to examine the wreckage of the Thai Airways plane that crashed near Surat Thani.

the second attempt. On the third attempt he just went too far, we were almost vertical."

The decision to attempt a third landing during a rainstorm appeared to contradict the air carrier's standing policy.

In June, when the airline announced it was phasing out the use of foreign pilots in favor of Thai, Chamlong Poom-

puang, deputy vice president of flight operations, said cockpit crews had been instructed to exercise great caution.

"Pilots have been told to divert to other airports if they have even the slightest hesitation over weather conditions at any airport, in Thailand or abroad," Mr. Chamlong said. "This means no landing in stormy weather. They've been told to

be passive and conservative. It's better to be safe than sorry."

The president of Thai Airways, Thammoon Wanglee, said families of the victims would receive \$100,000 in compensation, while the injured would have their medical bills paid for by Thai Airways and would receive 200,000 baht (\$5,555) in expenses. (Reuters, AP)

Seoul and U.S. At Odds Over Joint Battalion

By Don Kirk
International Herald Tribune

SEOUL — The mysterious death of a South Korean Army officer has touched off a debate here between U.S. and South Korean forces over who should command a joint battalion at the critical crossing between South and North Korea.

The United States and South Korea agreed Sunday to form a joint team to investigate the killing, while the top U.S. commander in South Korea, General John T. Little Jr., rebuffed South Korean suggestions that Seoul completely take over the battalion of 150 troops.

General Little, in command in chief of the United Nations Command, which includes South Korean and U.S. troops, said he was "committed to the combined structure of the joint security battalion" at the trace village of Panmunjom.

The decisive nature of the statement reflected U.S. concern about a rift between U.S. and South Korean forces stemming from the apparent suicide of a South Korean Army lieutenant in February. The South Korean Army has reopened the investigation amid claims that a South Korean soldier may have killed the lieutenant to cover up illegal contacts with North Korean troops.

General Little promised to cooperate with the investigation, but his headquarters issued a statement that sharply rejected South Korean efforts at disputing the initial verdict that Lieutenant Kim Hoon had killed himself.

The previous investigation by U.S. and South Korean forces "reviewed and thoroughly examined the evidence" and found that Lieutenant Kim "died of a self-inflicted gunshot wound," the statement said.

The UN Command statement came amid a sharp debate here, in the National Assembly and the media, regarding the lieutenant's death and its implications. "The defense minister is suspected of a cover-up after a hasty and shoddy investigation," said Yonhap, the semi-official news agency.

But the UN Command insisted that it had received "no evidence that would cause it to question the results" of two earlier investigations into the killing.

General Little's response defended the role of U.S. and South Korean forces on the most sensitive military fault line in Asia. The joint battalion covers the southern side of a 50-hectare (124-acre) zone known as the Joint Security Area, set up under the armistice that ended the Korean War in July 1953. North Korean troops hold the northern side.

A Nervous ASEAN Will Approach China Over Expansion in Spratlys

By Michael Richardson
International Herald Tribune

HANOI — Southeast Asian countries, concerned that Beijing might be strengthening its claim to much of the South China Sea while they are preoccupied by financial crisis, will call for restraint and strict observance of international law in a high-level meeting with China this week, officials said Sunday.

Heads of government of ASEAN, the Association of South East Asian Nations, who will meet Monday before holding two days of talks, will raise the issue of China's occupation of Mischief Reef in the Spratly Islands with the Chinese vice president, Hu Jintao, on Wednesday, officials said.

The move follows the presentation of photographic evidence by the Philippines showing how China has expanded installations on the reef since 1995, when it first started building what it said were shelters for fishermen. The photographs were shown to the foreign ministers of the other eight ASEAN countries.

Officials at the presentation said Sunday the photographs showed clearly that a major expansion was under way, although it was not clear whether it was for civilian or military purposes. They said the facilities included platforms and extensive roofed buildings.

"What was a revelation to many of those who saw the photographs was the proximity of this reef to our main islands, and the size and number of the structures China has built," said the Philippine foreign minister, Domingo Siazon, who organized the slide presentation.

"There are now four sites on the reef with installations. If you connect them, you could have a fortress, like Gibraltar, or a five-star hotel for fishermen."

He said China could not continue making declarations of friendly intent toward Southeast Asia, while occupying the territory of other countries in the region.

"We really have to find a way of dealing with this issue," Mr. Siazon said. "The other ASEAN countries are also getting nervous because it's just too near. We don't want this to be a confrontation. What we are looking for is a cooperative, multiparty approach that will lead to a peaceful solution."

Other officials said that ASEAN wanted to register its concern to Beijing without upsetting cooperation in other areas, including measures to help the region recover from the financial contagion. China has been praised for resisting pressure to devalue its currency. A devaluation by China could trigger competitive devaluations in East Asia.

China, Taiwan and Vietnam claim sovereignty over the whole of the Spratlys — a largely uninhabited chain of islands, atolls and reefs scattered over a large area of the South China Sea. The Philippines, Malaysia and Brunei claim only those parts of the Spratlys closest to their territory.

"It's a potential flash point," said Surin Pitsuwan, the Thai foreign minister. "Therefore, it's of concern to all of us in ASEAN. We can't afford to have a security crisis on top of the economic crisis in the region."

Brunei, the Philippines, Malaysia and Vietnam are members of ASEAN, along with Burma, Laos, Indonesia, Singapore and Thailand.

The Spratlys are important because whoever controls them would be close to key sea lanes through the South China Sea. The area covered by the various Spratly claims also contains valuable fishing grounds and extensive reserves of oil and natural gas. All the claimants, except Brunei, maintain armed garrisons on the islands they occupy.

Mischief Reef has been the focus of repeated diplomatic clashes between Manila and Beijing since China occupied the reef four years ago.

Last month, the Philippine Navy seized 20 Chinese fishermen and their

boats near the reef, which is only 185 nautical miles west of the Philippines. It is many times that distance from Hainan Island, the most southerly undisputed Chinese territory in the South China Sea.

Mr. Siazon said that under the United Nations treaty governing the seas, Mischief Reef was within the exclusive economic zone of the Philippines.

"Of course, China claims sovereignty," he said. "But unless you accept its claim that clearly the whole of the South China Sea is Chinese internal waters, you cannot justify that position, and nobody's buying it."

In a report to the ASEAN leaders, the group's foreign and economic ministers said that despite "positive developments" in relations between Beijing and ASEAN, China had "undertaken a number of actions that were not in accordance with the recognized principles of international law" in particular the 1982 UN treaty on the Law of the Sea.

Filipinos Scent a Revival of Cronyism

New President's Attitudes Toward the Rich Raise Fears of Corruption

By Mark Landler
New York Times Service

MANILA — Joseph Estrada won a smashing victory seven months ago in the Philippine presidential election as a champion of the poor. But today, diplomats, business people and politicians say, Mr. Estrada is mainly benefiting the rich, the very people he inveighed against on the hustings.

Some people here fear that under Mr. Estrada's relaxed style of leadership, the Philippines is drifting back into corruption and cronyism, a hallmark of the deposed dictator Ferdinand Marcos and an occasional weakness of his successors, Corason Aquino and Fidel Ramos.

Since he took office in June, Mr. Estrada has helped nudge one of his main campaign contributors into his job at the brewer San Miguel, the biggest company in the Philippines. He has worked to rescue Philippine Airlines, which is controlled by another wealthy supporter. And he paved the way for a politically connected Hong Kong company to acquire control of Philippine Long Distance Telephone.

Two recipients of Mr. Estrada's aid were notorious cronies of the late Mr. Marcos: Eduardo Cojuangco, scion of one of the most powerful Filipino families, who now runs San Miguel, and Lucio Tan, an ethnic Chinese billionaire who controls Philippine Airlines and is considered the richest man in the Philippines.

"It's something we are watching and worrying about," said Guillermo Luz, executive director of the Makati Business Club, which represents corporate interests. "Because it's not just the old cronies who are coming back. It is the practice of cronyism that is coming back."

To be sure, nobody is comparing Mr. Estrada to Mr. Marcos, who awarded vast monopolies to trusted supporters and is suspected of looting billions of dollars from the Philippines during his 20-year rule. But Mr. Estrada's actions are raising eyebrows even in a country where high-level corruption is as familiar as the gaily painted jitneys that carom through the streets of Manila.

"Everyone has been rooting for him to succeed," said Sergio Osmeña, a member of the Philippine Senate who was jailed by Mr. Marcos. "But sometimes you neglect moral principles in paying back debts."

Adding to the fears of resurgent cronyism is the strange case of Imelda Marcos, the widow of Mr. Marcos. After denying for more than a decade that she and her husband had plundered the country, Mrs. Marcos unexpectedly announced last week that she intended to sue several Marcos cronies to recover more than \$12 billion in assets that she said her husband amassed during his presidency. "We own practically everything," Mrs. Marcos said in an interview with

The Philippine Inquirer. Her admission left officials here flummoxed, since they have spent more than a decade fruitlessly prosecuting the Marcos family.

Advisers to Mr. Estrada denied that the president was engaged in Marcos-style cronyism. They said his critics were distorting his well-intentioned gestures to undermine his credibility.

"In the first place, crony capitalism only thrives in an autocratic or dictatorial government," said Edgardo Espiritu, the finance secretary and one of Mr. Estrada's closest advisers. "In a system that is democratic, everyone must compete in a field that is supposed to be level."

Mr. Espiritu acknowledged that Mr. Estrada had befriended some tycoons. But he added: "You may be a friend of the president, you may be a friend of politicians. But if you want to survive in the field, you have to be efficient, and you have to be ready to compete."

Mr. Estrada's ties to wealthy businessmen contrast with his careful cultivation of an image as friend of the common man. Even on screen, the 61-year-old former actor often played Robin Hood characters.

With his generous paunch, garbled diction and Elvis Presley-style coiffure, Mr. Estrada put off many affluent, edu-

cated voters. But those same qualities made him a hero to poor voters.

Even now, rank-and-file voters maintain that Mr. Estrada is looking out for them. The president's approval ratings are among the highest of any Filipino leader and have not been damaged by charges of cronyism.

"My dedication to the poor will be unwavering," Mr. Estrada said in an interview last month at the Asia-Pacific Economic Cooperation summit meeting in Malaysia. "But I would say that although we are pro-poor, we are not anti-rich. We are pro-business because I believe business leads to growth."

Indeed, political strategists here said Mr. Estrada's campaign was financed by some very rich business leaders, notably Mr. Tan and Mr. Cojuangco.

It is difficult to determine exactly how much they contributed because laws on disclosing campaign contributions are riddled with loopholes.

It is clear that Mr. Tan has easy access to the president. During the summit meeting in Malaysia, Mr. Tan hovered at the back of the room while Mr. Estrada gave interviews to the foreign news media.

"He owes Lucio Tan a lot of favors," said Alexander Magno, president of the Manila research group Foundation for Economic Freedom.

BRIEFLY

Mahathir Puts Off Naming of Deputy

KUALA LUMPUR — Prime Minister Mahathir bin Mohamad of Malaysia said Sunday that he had not decided on appointing a new deputy, though many senior leaders in his political party wanted him to do so soon.

Mr. Mahathir's United Malays National Organization ended a daylong meeting without discussing the naming of a deputy prime minister, who also traditionally serves as the party's deputy president.

The post has been vacant since the dismissal in September of Deputy Prime Minister Anwar Ibrahim, who was also ejected from the party. He is on trial on charges of corruption and sodomy. (Reuters)

Hun Sen Set to Meet With ASEAN Chiefs

HANOI — Prime Minister Hun Sen of Cambodia appeared set to seek membership for his country in the Association of South East Asian Nations this week, as ministers of the organization concluded talks in Vietnam

aimed at reviving their economies.

Mr. Hun Sen arrived in Hanoi on Sunday for a state visit. An official source said he had tentatively scheduled meetings for Monday with the leaders of six ASEAN countries.

Foreign and economic ministers ended talks Sunday on steps to stimulate their economies. But they provided little public information on a plan that was to be presented to ASEAN leaders. (Reuters)

Indonesian General Defends New Militia

JAKARTA — The chief of the armed forces defended a plan to establish a militia, saying Sunday that it was needed to uphold law and order while Indonesia struggled with political change.

The commander, General Wiranto, said that about 40,000 people would be recruited starting in January. Militia members are to have the power of arrest and will be equipped with clubs, riot shields and handguns.

The general said weeks of protest had stretched the resources of the military and police forces. "The level of disturbances has reached a level that's beyond tolerance," he said. (AP)

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EUROPE

EU Leaders Aim to Firm Up Attack on Joblessness but See No 'Magic Wand'

By Barry James
International Herald Tribune

VIENNA — Prime Minister Goran Persson of Sweden said he recognized the style of the final communiqué of the two-day summit meeting of the European Union. "It reads like excerpts from a Social Democratic Party congress in Sweden."

The imprint of the center-left, which now governs most of the EU, was all over the 50-page document, particularly in its call for a pact to reduce unemployment — now averaging nearly 10 percent in the Union — with clearly identifiable and measurable goals.

But there were no specifics, no extra money and nothing to explain how the pact would go beyond the present joint agreement on employment, reached in Luxembourg a year ago, by which gov-

ernments agreed to submit their jobs programs to peer review. And it will still be up to the countries, rather than the Union, to tackle the unemployment problem.

As Chancellor Gerhard Schröder of Germany said, jobs could not be created through the push of a button in Brussels.

Chancellor Viktor Klima of Austria said the EU countries were not pretending that they had found "a magic wand" to reduce unemployment. But he said they could achieve more through "a carefully coordinated package of measures."

The communiqué urged the 15 members "to define policies and set themselves additional quantified targets and deadlines, at national level wherever possible." The leaders said they hoped to have a comprehensive program ready

for their next regular summit meeting, in Cologne in June.

The unemployment problem hangs like a pall over a continent that is otherwise celebrating the prospect of a successful introduction of the EU single currency in two weeks. Resolving the unemployment problem is the top priority of the European Union, the leaders said.

They pledged special programs to create employment opportunities for the young and for women. This could include a French proposal to reduce value-added tax on some services, such as child care.

The leaders handed to Germany, which will take over the rotating presidency of the EU in January, the task of shepherding through an agreement on a budget for the first five years of the next century.

This is a huge venture, involving review of many of the EU's fundamental tenets, including its Common Agricultural Policy and its structural and cohesion funds, which are designed to help poorer members catch up with richer ones.

Germany pays \$13 billion more into the EU budget than it gets out, and it is demanding that its contribution be radically reduced.

But other countries are resisting an agreement that would see any reduction in their benefits, such as the budget rebate that former Prime Minister Margaret Thatcher obtained for Britain in 1984.

The rebate is worth \$3.3 billion this year, and the Dutch prime minister, Wim Kok, said it was "not a taboo." But Prime Minister Tony Blair of Britain said the rebate was not negotiable.

Until it sorts out its financing, the EU cannot move ahead with accepting new members. Former Chancellor Helmut Kohl of Germany, whom the leaders named honorary "citizen of Europe" for his efforts toward unification, warned against breaking promises to former Communist-ruled countries that they could eventually join the EU.

But the government chiefs said that in 1999 they would intensify negotiations with the six countries accepted for entry in a first stage of enlargement — Poland, Hungary, the Czech Republic, Estonia, Slovenia and Cyprus. They rejected proposals to bring other countries, such as Slovakia, Lithuania and Latvia, into the fast lane, despite economic and political reforms in those countries.

The leaders urged East European countries waiting to join the EU to crack

down on racism and to educate people about the Holocaust. Mr. Persson said this was an "incredibly important" issue in countries such as Poland and Lithuania.

The leaders agreed that they would seek a budget agreement at a special summit meeting in Brussels in March. Although their starting positions were far apart, the leaders said they had found "a measure of common ground" toward equipping the EU "with more effective policies and an appropriate financial framework within which to develop them."

Mr. Schröder said that "the stronger countries know they have to help the weaker ones, but the weaker ones know they cannot overburden the strong."

Foreign Minister Wolfgang Schäuble of Austria said he was not dismayed at a failure to reach an agreement in Vienna.

"Premature births are not the easiest," he said. "We are hoping for a happy event in March, the birth of a healthy baby."

The leaders said adoption of a harmonized European tax system was not on the agenda in Vienna, but they agreed to push ahead with coordinating taxation of interest on savings accounts and eliminating discriminatory loopholes in corporation tax.

Britain is fiercely opposed to a proposal to impose a withholding tax of 20 percent on savings held by nonresidents in EU countries. It says that such a move would devastate the Eurobond market in London.

The leaders issued a fuzzy "no" to a British-led attempt to retain duty-free shopping for travelers within the EU. In accordance with a 1991 decision, duty-free shops are to be closed by July 1, 1999.

The communiqué said finance ministers would seek "possible means for addressing those problems which may arise with regard to employment" because of the closing of stores.

Jacques Santer, the president of the European Commission said this could include "a limited extension of the transitional arrangements," meaning that there could be a stay of execution for a period of a few months in certain ports.

Mr. Santer said, however, that the leaders "have not questioned" the decision to end duty-free sales.

Several countries, including Denmark, Sweden, Italy, the Netherlands and Belgium, said they would not agree to reverse the 1991 decision. To do so would have required unanimity, so it appeared that the duty-free lobby, one of the most vocal in Brussels, had failed in its attempt to save a business that many regard as an anomaly in a single market.

Pressure Is on Milosevic

U.S. Moves to Loosen His Grip on Yugoslavia

By Steven Erlanger
New York Times Service

WASHINGTON — The United States, trying to plot an eventual endgame to its military involvement in the Balkans, is moving to undermine President Slobodan Milosevic's tight control over Yugoslavia, U.S. officials say.

U.S. officials have toughened their tone against Mr. Milosevic in recent days and are openly supporting the democratic government in Montenegro, a part of Yugoslavia that Mr. Milosevic has hinted he might move against.

Mr. Milosevic's political grip has weakened because of his mishandling of the rebellion in the southern Serbian province of Kosovo, U.S. officials say. But they flatly deny reports of some covert or even overt new plan to oust Mr. Milosevic, saying that his fate is up to the Serbian people and that he remains an important actor in Western efforts to keep the peace in Bosnia and Kosovo, they say.

The officials were speaking after a series of high-level meetings of the administration's national security team, with the special envoy Richard Holbrooke taking part by a secure video link.

While they argue that the essence of U.S. policy — support for the democratization of the region — has not changed, they concede that the U.S. tone about Mr. Milosevic has hardened.

"There is a generalized feeling now throughout the administration that Milosevic is the problem in the Balkans, and less vital for the solution," a senior U.S. official said.

In Brussels on Tuesday, Secretary of State Madeleine Albright called on the NATO alliance to find "an appropriate way to support the democratic aspirations of the Serb people," who "have been silenced and shackled for too long."

Her spokesman, James Rubin, said last week: "Milosevic has been at the center of every crisis in the former Yugoslavia over the last decade. He is not simply part of the problem — Milosevic is the problem."

But while urging democracy in Yugoslavia, the officials have not called for Mr. Milosevic's removal and are wary of a further breakup of the country, which is now made up of the dominant Serbia and Montenegro.

"We're not supporting the secession of Montenegro, which the Montenegrins themselves don't advocate," an official said. "That could produce another unraveling in Europe, starting with the Bosnian Serb republic."

Despite Mr. Milosevic's weaker position now, he withstood rallies of 200,000 people calling for his ouster two years ago, and today the democratic opposition is splintered badly, making its repression easier. The officials are concerned that Mr. Milosevic could be replaced by someone worse, like the fanatical Serbian nationalist Vojislav Seselj.

In September a slightly moderate Serbian nationalist, Biljana Plavsic, whom Washington supported, was defeated by a harder-line Serb, Nikola Poplasen, in the Bosnian Serb republic.

Washington has decided to do its best to protect Montenegro and to revive support for a democratic opposition in Serbia itself, even as Mr. Milosevic has moved to crush it.

Last week, for instance, the State Department welcomed a number of Serbian democrats and news media figures who have been attacked by Mr. Milosevic.

including Slavko Curujica, publisher of the newspaper Dnevni Telegram, which Mr. Milosevic shut down Oct. 13 but which has been revived and publishes from Montenegro. They also testified at a hearing in the House of Representatives before the Congressional Commission on Security and Cooperation in Europe.

Mr. Milosevic has used the new U.S. oratory "to circle the wagons," a European diplomat noted, drawing closer to old cronies and cracking down harder on the independent news media, much of which has withdrawn to Montenegro.

The administration hopes to roll out an explicit program at the beginning of the year, the officials said, which will include aid to independent news organizations, academic institutions and civic organizations, many of which Mr. Milosevic has been trying to repress in Serbia.

Washington will also direct further support to Montenegro, whose president, Milo Djukanovic, has been diverging from Belgrade and Mr. Milosevic and providing a haven for a number of Serbian academic institutions, as well as news organizations.

"There has been real progress toward democracy and economic freedom in Montenegro, and we want to support them any way we can," a senior U.S. official said. "It's also a way to show the Serbs in Belgrade, who are watching, that we are not anti-Serb per se, which is what Milosevic always cries."

The United States is currently spending about \$15 million a year, including



Mr. Milosevic warned NATO forces not to cross into Kosovo.

\$2 million for independent television, to promote democracy in the Federal Republic of Yugoslavia, which includes Kosovo. There, Washington hopes to help independent news organizations in preparation for hoped-for elections for a local parliament.

Also early in 1999, the administration will make public posters and publicity for a new "bounty" of \$5 million a head for the capture of accused war criminals in the region, including Kosovo — money pushed on the executive branch by Congress, in particular by Benjamin Gilman, Republican of New York, who is chairman of the House International Relations Committee.

Among the targets of such a bounty are the former Bosnian Serb political leader, Radovan Karadzic, and his mil-

Yugoslav Leader Defies NATO

Reuters

BELGRADE — President Slobodan Milosevic of Yugoslavia said in an interview Sunday that if NATO troops crossed into Kosovo to protect international observers they would be treated as aggressors.

In a rare newspaper interview conducted as the West tries to keep a lid on the latest crisis in the Balkans, Mr. Milosevic brushed aside U.S. accusations that he is at the heart of all the problems in the volatile region in recent years.

He said there was no need for the so-called extraction force of the North Atlantic Treaty Organization, which is being set up in neighboring Macedonia to protect the planned 2,000 unarmed observers — some of whom are already overseeing a fragile truce in the Serbian province.

Both men have been indicted by an international war crimes tribunal for the former Yugoslavia but have not been arrested by NATO-led forces in Bosnia. The two men are believed to be living in Serbia, officials said.

But the details for such a bounty program are still being worked out, especially with the Justice Department, officials say. The program will be run from the office of Robert Gelbard, who is in charge of carrying out the Dayton Accords that halted fighting in Bosnia, and the secretary of state will determine who qualifies for any reward.

The administration continues to press negotiations to find a political solution to the conflict in Kosovo, between the ruling Serbs and the ethnic Albanians

who make up about 90 percent of the province's population.

But Mr. Holbrooke and the chief U.S. negotiator, Christopher Hill, have had difficulty getting a coherent political response from the badly divided ethnic Albanians. The essence of the problem is that the United States and the West want a solution — enhanced autonomy for Kosovo within Serbia — that is favored by neither the Serbs nor the population of Kosovo.

Increasingly, urged on by the Kosovo Liberation Army, the ethnic Albanian residents of the province want independence, while the Serbs are reluctant to grant any real autonomy, let alone an enhanced autonomy beyond the status Mr. Milosevic removed from Kosovo in 1989.

BRIEFLY

Nestle Ads Attack
Cake Saboteurs

ROME — The Swiss food giant Nestle accused animal rights activists Sunday of spoiling everyone's party by poisoning two traditional Italian Christmas cakes and sought to repair the damage by handing out slices free.

"They've ruined the party for everyone," Nestle said in a full-page advertisement in major Italian newspapers.

The extremist Animal Liberation Front last week sent two boxes of panettone to the Italian news agency ANSA in Bologna and Florence claiming to have poisoned packages of Nestle's Motta and Alemagna brands of panettone in several supermarkets.

The cakes were quickly removed from the shelves as a precaution, and magistrates said checks on the two sent to the agency revealed they contained rat poison.

The Animal Liberation Front took responsibility in a statement on an Internet site.

"What we are most concerned about at the moment is to reassure Italians that, apart from the two panettone sent to ANSA in Florence and Bologna, no other packages have been tampered with," Nestle said in its advertisement. (Reuters)

Chechen Renegade
Accused in Murders

MOSCOW — Officials in Russia's breakaway region of Chechnya have accused a renegade guerrilla

commander of leading the kidnapping that murdered four Western hostages last week.

They also called for a mobilization of armed forces to help to protect the government.

Appearing on local television, monitored by the Itar-Tass news agency in the Chechen capital, Grozny, late Saturday, the Chechen deputy prime minister, Turpal Atgheyev, said Arbi Barayev had led the band that killed three Britons and a New Zealander.

Another Western hostage, Vincent Cochetel, a French UN refugee agency worker, was freed unharmed in a raid Saturday by Russian commandos in the neighboring region of Ingushetia. He returned to Geneva overnight. (Reuters)

Germany Sets Plan
For Berlin Memorial

BONN — Germany's center-left government is developing a new plan for a memorial in Berlin to the victims of the Holocaust to replace the proposal backed by former Chancellor Helmut Kohl, a government spokesman said Sunday.

The spokesman confirmed that Chancellor Gerhard Schröder's cultural affairs minister, Michael Naumann, was developing a proposal that would be submitted for discussion to Parliament.

He declined to give details, but the newsweekly Der Spiegel reported that Mr. Naumann hoped to win parliamentary approval by mid-1999 for a memorial that would make it possible to hold exhibitions on the Holocaust. The original plan called for erecting 2,700 concrete pillars. (Reuters)

Turkey to Build a Gas Pipeline That U.S. Opposes

By David B. Ottaway
Washington Post Service

WASHINGTON — Turkey has decided to complete a natural gas pipeline from Iran, defying the Clinton administration, according to U.S. and Turkish officials.

Although the U.S. government has vigorously promoted pipeline routes in energy-rich Central Asia that bypass Iran, Turkey's pressing need for gas means that Ankara is willing to ignore Washington's wishes, Turkish officials said.

A 302-kilometer (188-mile) segment of the pipeline is likely to be completed next year and is designed to carry gas from Iran to the eastern Turkish city of Erzurum. The pipeline is particularly sensitive because the Clinton ad-

ministration last year proposed an alternative "Eurasian transportation corridor" to discourage Turkey from buying Iranian gas.

Turkey subsequently suspended a deal with Iran and endorsed the corridor proposal, which would include pipelines from Turkey to Azerbaijan and from Turkmenistan to Turkey via Georgia.

During the last year, President Bill Clinton, Vice President Al Gore and other senior U.S. government officials have repeatedly urged Turkey and other Central Asian nations to endorse the corridor and shun Iran, which is accused of supporting terrorism.

"If they are building a line to Iran, that's problematic," one U.S. official said of

Turkey. He noted that Congress had passed legislation imposing sanctions on foreign companies that invest in Iran's energy sector.

But Turkish officials note that they are not investing directly in Iran, which is build-

ing its own pipeline from its city of Tabriz to the Turkish border. That pipeline is about two-thirds complete, according to Julia Nanay, an oil analyst at the Petroleum Finance Co., which is based in Washington.

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INTERNATIONAL

Lawyers in First Smoking Settlement Win \$8.2 Billion in Fees

By Barry Meier
New York Times Service

NEW YORK — The lawyers who represented the first states to settle with the tobacco industry over health care costs have been awarded \$8.2 billion in fees, the richest legal payday in U.S. history.

The money, which will be divided among dozens of lawyers who represented Florida, Mississippi and Texas, is the first to result from a series of tobacco cases that culminated last month in a \$206 billion settlement between tobacco companies and 46 states and 5 U.S. territories. That broader settlement, which did not include Florida, Mississippi and Texas, appears likely to produce billions more for plaintiffs' lawyers.

The three states settled their suits for a total of \$34.4 billion to be paid by cigarette makers over 25 years. The legal fees awarded Friday were determined by an arbitration panel set up under an agreement between tobacco producers and plaintiffs' lawyers. The panel also will be used to award legal fees from the larger settlement last month.

The fees will be paid by cigarette makers. The payouts will not affect the amounts received by the states.

Cigarette makers are likely to pass on the fees, like the rest of the recent \$206 billion settlement, to smokers.

In awarding \$8.2 billion, the arbitration panel gave the lawyers credit for taking the risks of being the first to test the legal strategy of suing the

tobacco industry to recover Medicaid costs related to smoking. And it awarded far less than some of the lawyers sought; five trial lawyers hired by Texas, for example, wanted \$25 billion for negotiating that state's \$17.3 billion settlement.

But the size of the awards — those five Texas lawyers will get about \$3.3 billion — quickly provoked criticism from legal experts, who said the huge recovery by the states did not justify traditional contingency-style rewards.

"Twenty-five percent of \$1 million is one thing," said Geoffrey Hazard, a professor of law at the University of Pennsylvania who earlier opposed payment of large fees to the Texas lawyers.

"Twenty percent of \$1 billion is another thing." In determining fees, the arbitrators started by awarding lawyers in the three states 10 percent of

their state's settlement. Then the panel multiplied those figures by 1.9 to 3.5 times depending on what it perceived to be the risks and work undertaken by the lawyers in each state.

Under those formulas, lawyers hired by Florida received about \$3.4 billion for reaching a \$13 billion settlement last year and lawyers for Mississippi got about \$1.4 billion for forging a \$4.1 billion settlement last year. The Mississippi lawyers got the highest percentage award, 33 percent, after the panel determined that they had taken the greatest risk by representing the first state to sue the tobacco industry, in 1994.

The situation of the three states was special because tobacco producers agreed not to argue against the lawyers. Industry lawyers said no such agreements exist with lawyers representing other states.

BRIEFLY

UN Team Leaves Iraq Unexpectedly

BAGHDAD — Iraq said a team of United Nations arms inspectors at the center of a dispute over access to sensitive sites left Baghdad unexpectedly Sunday. The team, led by Roger Hill, left the UN Special Commission base in the morning and boarded a bus for the Habbaniya airport.

Hussam Mohammed Amin, the main Iraqi liaison officer with the UN commission, said the team had been due to carry out more surprise inspections Sunday.

Commission officials played down the departure. "They've completed their job," a spokeswoman, Caroline Cross, said, adding that the chief inspector, Richard Butler, "took the decision that they had completed the tasks necessary for him to gather information to write his report." (Reuters)

Rebels Make Gains In Angola Clashes

LUANDA, Angola — Backed by superior firepower, the rebel group UNITA has gained the upper hand against government troops in the central highlands of Angola, the government chief of staff said Sunday.

General José de Matos said rebel firepower included tanks, assault vehicles, and long-range artillery. The army launched an attack on UNITA's central highland strongholds Dec. 4, ending a four-year-old peace pact. (AP)

Attack on Kabul

KABUL — Dozens of combatants and civilians were killed Sunday as Afghan opposition forces began a new offensive across three front lines and pounded Kabul with light rockets.

Reports from the opposition, residents and aid workers said at least 19 civilians had been killed, 39 wounded and hundreds forced to flee their homes. Forty-two Taliban militia troops died in the fighting, and 162 were captured by the opposition.

The latest offensive was timed to take advantage of the last days of good weather as the Taliban and forces loyal to the opposition commander Ahmed Shah Massoud struggle to secure northern supply routes ahead of winter. (AFP)

Brazil Remembers

SAO PAULO — Brazil on Sunday marked the 30th anniversary of one of the darkest days of its military rule, one that unleashed more than a decade of political killing and torture and set the stage for more violent repression in neighboring Chile and Argentina.

On Dec. 14, 1968, Brazilians woke to find their civil liberties suspended, their Congress shut down and a new group of hard-line generals in charge. (Reuters)

A Town's Fragile Peace Sets a Mideast Example

By Howard Schneider
Washington Post Service

NEVE SHALOM, Israel — Call it what you will — by the Hebrew name it carries on Israeli maps, by the Arabic "Wasat Salam," or by its English equivalent, "Oasis of Peace." This half-Palestinian, half-Jewish community of 32 families is anything but the gentle touch kind of place of which the first lady, Hillary Rodham Clinton, spoke after a tour Sunday.

Founded 20 years ago as an exercise in co-existence, its residents remain adamant about sharing power democratically, educating their children bilingually and biculturally, and providing what they call a "living demonstration" of cooperation between the two societies with historical claims to this part of the world.

"Peace begins at home, in our schools and in our hearts," Mrs. Clinton told

community members at the start of a day in which her husband tried to negotiate peace and she tried to highlight spots in the society where the idea has taken root.

But after the Ramadan lanterns and Hanukkah candles and Christmas lights are extinguished, the differences still roil.

During the Gulf War, as Scud missiles soared from Iraq into Jerusalem and Tel Aviv, shouting matches erupted in Neve Shalom's cramped communal bomb shelter, with Jewish residents shocked that Palestinians would not condemn President Saddam Hussein of Iraq, and Palestinians shocked that their Jewish neighbors so fervently supported the U.S.-led Gulf coalition.

On the Israeli Independence Day, there have been uncomfortable moments as Jews unfurled their patriotism and their blue Star of David flags, and Palestinians wondered how they should respond on a day known in their culture as the "disaster."

In short, nothing about this hothouse experiment in peace-building has led the two sides to forget themselves or their cultures or their emotions. Nothing has led to the conclusion that peace is easy work, a fact most knew when they accepted the challenge of living here.

"I don't say we don't have conflict. It is not all coming in the morning and giving hugs," said Abdessalam Najjar, a Palestinian Muslim who was among the original residents and is now the village's public relations director. "When it comes to the national conflict, the dynamics still occur."

What the town has done is prove that the two sides can negotiate the rough spots and still run a successful school, create a successful community and build a life together.

There are no illusions here about melting pots or assimilation or obliterating the centuries of conflict that have raged along the Ayalon Valley, a strategic path to Jerusalem that runs just below Neve Shalom's idyllic fury of bougainvillea and roses.

When the tensions mount, Mr. Najjar said, the two halves of this village's mosaic have become practiced at going their separate ways, finding space where each can vent its emotions. After that, he said, they can meet in an emotionally neutral way and listen to what the other has to say.

If Mrs. Clinton's visit here highlighted the hopes that led Father Bruno Hussar, a Dominican priest, to establish this place in the late 1970s, interviews with village officials and residents showed just how slender a foothold Neve Shalom has in Israeli society.

Funded in part by international grants, given land by a nearby Trappist monastery, the town has never had luck in its requests to the government for more acreage to expand.

On the other hand, plans are being laid for projects on either side of Neve Shalom that could obliterate it in a sea of new suburban housing.

Such developments, locals say, would probably make it impossible to maintain centerpieces projects, like an elementary school where Palestinian and Jewish co-principals share authority, and children have lessons every week in Hebrew, Islamic and Christian culture.

The Peace School, site of encounter sessions for high school students and Israeli and Palestinian adults, might survive, but certainly the spirit of Neve Shalom would be likely to fade, along with its balanced demographic mix.



Hillary Clinton being welcomed Sunday by Israeli and Palestinian children in Neve Shalom, Israel.

Clinton Calls on Both Sides to Respect Wye Accord

Compiled by Our Staff From Dispatches

JERUSALEM — President Bill Clinton tried Sunday to repair the Wye River peace accords with appeals to Israel and the Palestinians to implement the land-for-security decisions they made two months ago.

"The Palestinians leaders must work harder to keep the agreement and avoid the impression that unilateral actions can replace agreed-upon negotiations," Mr. Clinton said to a group of Israeli students, referring to pledges by the Palestinian leader, Yasser Arafat, to declare an independent state if a

permanent peace deal is not reached by the end of next May. Earlier, Prime Minister Benjamin Netanyahu said the Palestinians must "officially and unequivocally" renounce the statehood plan.

Asked about Mr. Clinton's comments, Saeb Erekat, a senior Palestinian negotiator, said it was Israel that was violating the agreement. "President Clinton knows very well that the Palestinian street respects the obligations of the agreements and wants their accurate and honest implementation," Mr. Erekat said. (Reuters, AP)

ISRAEL: As Peacemaker, Clinton Stakes Out Moral High Ground

Continued from Page 1

optimistically American speech. He made it clear he empathized with "the history of heartbreak" that defines Israeli-Palestinian relations, but he preached accommodation to immutable realities.

"One thing and only one thing is predestined," Mr. Clinton said. "You are bound to be neighbors. The question is not whether you will live side by side, but how."

On Israeli television, which carried the event live, when a commentator managed to speak above the din of cheers, he said the scene "looked and sounded like a Democratic National Convention."

Before Mr. Clinton's arrival, municipal workers hastened to scrape hostile posters from the city's walls, doctored photographs picturing the American president wearing an Arab headscarf, with the Hebrew caption, "I am a Palestinian."

Members of Mr. Netanyahu's cabinet had to be persuaded to refrain from expressing too loudly their displeasure about Mr. Clinton's visit, which is organized around a trip to Gaza on Monday to oversee a meeting of the Palestinian National Council. The ministers, opponents of the peace effort, said they believed his trip would come across as an endorsement of Palestinian sovereignty. They also clearly feared that the visit could repair the breakdown in relations.

But many Israelis, speaking privately, on the radio, or in newspapers, expressed embarrassment at the government's tepid if not hostile reception of a particularly popular American president who is making his fourth trip here at a moment many perceive to be fateful.

"It is important for you to know that not all of us are deceitful," Meir Shalev, a novelist, wrote in a newspaper column. "Not all of us are grave worshippers, not all of us are paranoid, not all of us are existential stones, not all of us are uncouth, thankless beggars."

The newspaper Ma'ariv dedicated its front page to a column by its editor-in-

chief, Yaakov Erez, welcoming the "leader of the free world." He wrote: "We all hope, save for the radical fringes, that Clinton will be able to bridge the abyss at our feet, exhibit his magic touch in his talks with Arafat and Netanyahu, and restore the hope of peace to our chests."

It is a tricky role for the American president, one setting what could be a dangerous precedent in a rocky process. Clearly, the Americans have moved from mediators to guarantors of the peace effort. But it would soon become untenable if the Israelis and the Palestinians needed not only American assistance but direct presidential intervention to clear the bumps in the road.

Mr. Clinton and Mr. Netanyahu were at odds Sunday. After a meeting that lasted all morning, in which they reportedly spent only 10 minutes alone, they shook hands laterally, reaching across their bod-

ies as both faced forward-looking grim. They then presented different realities. In Mr. Netanyahu's report card on the implementation of the peace accord, the Israelis passed with flying colors and the Palestinians were completely delinquent.

He blamed Palestinian leaders for "openly inciting for violence and riots." He also said his own domestic political problems — the fact that his government, hanging on by a thread, might benefit by lurching rightward — played no role in the Israeli freezing of its implementation of the accords.

In contrast, Mr. Clinton praised and condemned both sides. And he repeatedly referred to Mr. Netanyahu's "political constraints," as well as to those of Yasser Arafat, the Palestinian leader.

Finally, Mr. Clinton underscored the cash bounty waiting for the Israelis — \$1.2 billion in economic assistance, if Congress approves the request.

CLINTON: 'I Have No Intention of Resigning,' He Says in Israel

Continued from Page 1

those inquiries, the president responded calmly: "I have no intention of resigning. It's never crossed my mind."

Representative Henry Hyde, Republican of Illinois, the chairman of the House Judiciary Committee, said on CBS a television news program that Mr. Clinton should resign.

White House aides, who are engaged in an intense outreach campaign of the sort Mr. Clinton said he personally would not wage, are increasingly glum about their prospects of avoiding an impeachment vote. The House minority whip, Tom Delay, Republican of Texas, one of Mr. Clinton's harshest critics, put the odds at no better than 50-50 in an interview with an NBC news program.

■ Censure Is 'the Right Thing'

Mr. Clinton said that three-quarters of the American people believe that cen-

sure rather than impeachment is "the right thing to do." The Associated Press reported from Jerusalem. He urged lawmakers to "vote their conscience on the Constitution and the law."

Rebuffing Republican demands, Mr. Clinton also said he would never admit to perjury.

With time running out, White House aides were desperately searching for a strategy to save Mr. Clinton from becoming only the second president in history to be impeached. Joe Lockhart, the White House spokesman, said he was unaware of any plans for a presidential address before the impeachment vote, but he did not rule it out.

The vote poses a big test for the incoming House speaker, Bob Livingston, Republican of Louisiana, who must decide whether to step in with a compromise or stand aside as Republicans act in defiance of the wishes of most Americans.

110 Bodies Found In Mass Grave in An Algerian Well

Reuters

ALGIERS — The Algerian authorities have found the remains of about 110 people, believed to be victims of Muslim rebels, after two weeks of excavation in a mass grave near Algiers, the daily Liberte reported Sunday.

Meanwhile, a bomb exploded Sunday at a market in the town of Aillou, about 300 kilometers (190 miles) south of Algiers, killing a 25-year-old man, state-run radio said, quoting government security forces.

And in another incident in what appears to be a bloody rebel build-up to the Muslim holy month of Ramadan, Liberte said Muslim militants had slashed the throats of four villagers Friday in Aumer El Ain, about 60 kilometers west of Algiers.

Liberte quoted the police as saying that the excavation of the mass grave, in a well in an orange grove in the Mefrah region, about 20 kilometers southwest of central Algiers, was concluded Saturday.

It was not clear how long the bodies had been in the well, but the paper said the victims had been killed before being dumped at the site, a base of the radical Armed Islamic Group. The government has made no comment on the discovery.

The most recent killings brought the number slain this month to about 200, according to newspaper and official reports.

IRAN: 3d Writer Found Dead

Continued from Page 1

suspicious circumstances.

The opposition figures, Dariush Forouhar, and his wife, Parvaneh, had both been stabbed more than a dozen times when their bodies were discovered Nov. 21.

The attacks have outraged many people in Iran, and they have prompted calls from Western literary societies, human rights groups and the State Department for swift government action.

Mr. Khatami also has condemned the killings in strong terms, and he vowed to seek the arrest of those responsible.

But so far the main effect of the murders has been to expose Mr. Khatami's relative impotence.

Within Iran's fractious power structure, Mr. Khatami commands little authority over security and intelligence forces, which are more closely aligned with the country's supreme leader, Ayatollah Ali Khamenei.

As to who may be responsible for the killings, various theories have been offered from either end of Iran's political spectrum — perhaps a conservative cell, a foreign government or the Iranian intelligence service.

But increasingly, Mr. Khatami's admirers have begun to suggest that undermining the president may be what the killings are intended to do.

The attacks may be merely the latest phase, they say, in the bitter struggle over the country's course since Mr. Khatami's landslide victory in the 1997 presidential elections on a campaign that promised a move toward political and cultural openness.

"We are sure that they want to close the society as before," said Gholam-Abbas Tavassoli, a leading member of the outlawed but officially tolerated Freedom Movement in an interview Sunday.

SCHROEDER: German Presidency of EU Offers Chancellor Opportunity for Success

Continued from Page 1

markets, Mr. Schroeder seems to have the elements in hand to move more assertively in Europe than he has as a domestic policymaker.

The difference between Mr. Schroeder's misfiring start in Bonn and his possibilities in the EU is the difference between openly stated, frontal logic in dealing with the problems in Brussels and the lack of the same kind of circumspectable coherence in Bonn.

At home, since he came to power in October, the chancellor has confronted a basic and still unresolved contradiction. His campaign rhetoric of the New Middle, packed with notions of a freer German economy, less hobbled by costs and regulations, has collided with the tax and policy calculations of his Social Democratic Party apparatus. The result has been vagueness and criticism that the new government has no innovative economic program, mirrored in polls over the weekend that showed almost 70 percent of Germans thought there would be no improvement in the job situation next year.

In relation to Europe, picking up the line enunciated by Helmut Kohl in 1997, Mr. Schroeder has said plainly that Ger-

many pays disproportionately into the community and that its contribution must be reduced. This logic is acknowledged in the EU, and it should strengthen the hand of the German presidency in future discussions on limiting costs with France, Britain or Spain, all major beneficiaries of farm subsidies, rebates or regional development funds.

Pushing his reasoning, Mr. Schroeder appeared to have arrived at this calculation: When compromises come, a comparison between Europe's givers and takers means that Germany, which finances Europe to an extent even beyond its dominating place, will get to pay less. Whatever the outcome for the other members, it was a winning situation for Bonn and it radiated in the chancellor's confidence.

Using language going more directly to the point than most of his rhetoric on domestic issues, Mr. Schroeder said here that the weaker countries in Europe "must know that the stronger ones cannot be subjected to excessive demands."

Germany had not become a reverse Robin Hood, he insisted, "but I am allowed to say" that it would like respect for its interests. "We can't and don't want to continue a policy," he said in a

speech last week, "that aims at buying the goodwill of our neighbors but leads to intolerable burdens in our own budget."

In terms of domestic politics, Mr. Schroeder had hit on an issue that had none of the difficulty of trying to sustain German Social Democratic notions of social protections while opening markets. He was defending national interests, without running much of a risk of being accused of nationalism or immorality.

Besides, the chancellor suggested, in the end, the history of the European community showed that it had always resolved its financial disputes, although he expected talks on the Common Agricultural Policy to go beyond the period of the German presidency.

With his eyes on other successes, Mr. Schroeder said all was going extremely well concerning the European initiative to give the EU an autonomous, NATO-linked military means to underpin an eventual joint foreign policy. The matter will be discussed at a NATO summit meeting in April and then possibly coupled with the appointment of the EU's first foreign policy chief, scheduled for the middle of the year, very probably on Mr. Schroeder's watch.

The participants here left to Germany the job of presenting in June an employment pact meant to set specific goals for bringing joblessness down from its high levels.

The Germans made it clear that they were willing to work with France on proposals by Prime Minister Lionel Jospin to develop a "social Europe," which he said involved a new effort in "social harmonization." To that end, Mr. Jospin said, unions and management had to play a greater role and must become "co-legislators."

This seemed to link up with statements earlier by Finance Minister Oskar Lafontaine calling for "coordination of salary policies" and minimum social standards on a European level.

In the view of some countries, particularly those with lower pensions or salaries than Germany or France, this could be interpreted as an attempt to erase their competitive advantages through increases to levels they regard as examples of the lack of efficiency of richer countries.

Sitting rather quietly at Mr. Schroeder's side during a long conversation with reporters, Mr. Lafontaine said simply, "Step by step, we'll remove unfair conditions" remaining in Europe.

Greens in Germany Revise Party Policy

Reuters

LEIPZIG — The Greens, holding their first party congress since entering government, adopted changes over the weekend to bring unruly ecologist members in line with the leadership.

Top Greens hailed the creation of a formal forum for coordinating party policy as a way to end disputes that have dogged the party's 18-year history.

"This is about being capable of organizing ourselves," said Foreign Minister Joschka Fischer, the party's leading politician.

The 750 delegates lifted a ban on Greens holding both public office and party positions, but resisted a move to create a formal party chairman role.

In a victory for the party's feminist wing, two women were installed for the first time as national party co-spokesmen.

Delegates also voted to create a 30-member party council to preempt future party policy conflicts.

BOOKS

FANNY TROLLOPE

The Life and Adventures of a Clever Woman
By Patricia Neville-Sington. 416 pages.
\$29.95. Viking.

Reviewed by Audrey Poote

In Cincinnati, Fanny Trollope con-
sidered "the pigs are constantly seen
doing Herculean service" sniffing up
the garbage strewn in the streets. But,
she added, "If I determined upon a walk
up Main-street, the chances were five
hundred to one against my reaching the
shady side without brushing by a smut-
fresh drooping from the kennel."

This is one of the lesser complaints in
her first book, "Domestic Manners of
the Americans," published in London in
1832. "It succeeded in angering Amer-
icans far more than any book written by
a foreign observer before or since," says
the Oxford Companion to American
Literature—presumably even more than
Charles Dickens's scathing "American
Notes," a decade later, which had even
more fun with the portly sows and gen-
tleman hogs trotting up Broadway.

Though this British Tory did com-
mend a few persons, some architecture
and the natural beauty of the country, she
was shocked by its manners, morals,
customs and institutions: "one hand
hoisting the cap of liberty, and with the
other flogging their slaves," the mis-
treatment of Indians, religious hysteria
and sharp business practices. And she
was dismayed by the ignorance and in-
sensitivity of most women, and the rough
talk and table manners of the ubiquitous
"generals, colonels and majors," "the
voracious rapacity with which the viands
were seized and devoured... the loathe-
some spitting... the frightful manner of
feeding with their knives till the whole
blade seemed to enter their mouths, and

the still more frightful manner of clean-
ing the teeth after with a pocket knife."

Despite Fanny Trollope's fame—or
notoriety—in her lifetime, her 42 pub-
lished books, and the three biographies
of her even before this excellent and
probably definitive one, she is usually
identified as the mother of Anthony, an
equally prolific but more artful novelist.
The youngest and healthiest of Fanny's
six children, Anthony was no doubt
neglected, and later tended to denigrate
her both as a mother and a writer. How-
ever—gallant compensation—he sup-
posedly used her as the model for one of
his most attractive heroines, Lady
Glencora Palliser.

Fanny's five other children and the
many famous friends (Mrs. Recanati,
Lafayette, Metetrich) whom she ac-
quired by sheer wit and charm seem to
have considered her cheerful, resilient,
patient wife and devoted mother. As a
country vicar's lively daughter, and by
1808 the fiancée of Thomas Anthony
Trollope, a London barrister of good
family and great expectations, Fanny
had reason to anticipate at least the com-
fortable life of a Jane Austen heroine.

At first all went well: a fine house,
social life, children. But as the family
and expenses increased, their income
diminished, with Thomas's worsening
health and irascible temper. The crucial
blow (a quite common event in English
fiction and real life) was their loss in
1819 of a large inheritance to an uncle's
unexpected new heir.

It was at the invitation of her friend
Frances Wright, a rich, radical Scot who
had published her own book on America
in 1821 and had started a colony to free
slaves there, that Fanny at age 52 de-
cided to try her luck in the United States.
She took along two little daughters, an
artist protégé and a son she hoped to
place in business. During her three years

of travels, her husband sent what money
he could spare, made several visits and
some unwise decisions. On the basis of
several minor successes, Fanny built in
Cincinnati an exotic and grandiose man-
sion-bazaar, for which Thomas
shipped from England the shoddiest
merchandise, to her dismay. The struc-
ture was known for decades after as
Trollope's Folly; it ruined them.

But America was indeed their sal-
vation, though not as they expected.
Fanny decided the only way to make
money from America would be to write
about it. Back in London, that wit and
sharp eye established Fanny's career.
After the success of her first book, she
went on to process her own memories,
experience, imagination and voyages
into 41 more books clever enough to
support her family but not to endure.

She wrote while shuttling between
England and Europe to contact im-
portant, useful friends, to seek out cheaper
lodgings or to locate a better doctor or a
milder climate. When home, she nursed
her ill husband till his death in 1835, and
then each of four children who died
slowly of consumption.

Her devotion, energy and extraor-
dinary resilience were much remarked.
So it is a pleasure to learn that, by
another fluke inheritance, this gallant
woman spent her final decade (she died
at age 84) with her family in the Villino
Trollope, a splendid house in Florence,
with terraces, gardens and a great library
of rare books. On hearing of this good
fortune, the English novelist Mary Rus-
sell Minford, who had known Fanny
from childhood, wrote: "You have well
earned the happiness domestic & social
which you enjoy, dear friend." Amen!

Audrey Poote, a writer and lecturer in
Washington on European drama, wrote
this for The Washington Post.

BRIDGE

By Alan Truscott

THREE separate battles
were in progress within
one event at the American
Contract Bridge League's
Fall Nationals. Most of the
top players in North America
and a handful from other parts
of the world were fighting for
the prestigious Reisinger
Board-a-Match Teams title,
with two subplots.

Five of the players are con-
tending for the Player of the
Year title, awarded for overall
performance at national
championships. They are
Paul Soloway of Mill Creek,
Washington; Geir Helgeson
of Norway; Lew Stansby of
Castro Valley, California;

Richard Schwartz of Queens
and Geoff Hampson of
Fenton, Michigan.

In his effort to become
Player of the Year, Stansby
will have help from his team-
mate, Zia Mahmood of Man-
hattan.

In the Blue Ribbon Pair
Championship final, Zia
made an inspired decision on
the diagramed deal. He was
on the way to victory with
Howard Weinstein, and held
the East cards.

Zia opened one spade, and
his partner made a negative
double of the weak jump
overall of three clubs. The
normal bid at this point was
three diamonds, a contract
that would succeed.
But Zia made an unexpec-

ted penalty pass, betting that
he could defeat three clubs by
two tricks in spite of his puny
holding in clubs. A one-trick
defeat would not be enough,
for 100 points to East-West
would lose match points
against the 110 scores for
making three diamonds.

West led the spade ace and
shifted to a trump, which East
ducked. A spade was led from
dummy, and East played the
king, unsure about the loca-
tion of the queen. Then he
cashed the club ace, removing
dummy's remaining trump,
and played the spade jack fol-
lowed by another spade.

West's ruff was the fifth
trick for the defense, and the
heart ace was still to come, for
down two. Zia had won his

bet. He and Weinstein col-
lected 34 match points out of
a possible 38.

NORTH			
♠ 5			
♥ K Q 10 4 3			
♦ 10 8 4 3			
♣ 10 8			
WEST (D)			
♠ A Q			
♥ J 9 8 5			
♦ K 7 6 3			
♣ K J 3			
EAST			
♠ K J 9 7 6			
♥ A 3			
♦ Q J 8 5			
♣ A 7			
SOUTH			
♠ 10 8 4 3			
♥ 8 7			
♦ A			
♣ K Q J 8 4 3			

Neither side was vulnerable. The
bidding:
West North East South
Pass Pass 1♣ Pass
Decl. Pass Pass Pass
West led the spade ace.

LANGUAGE

The Power of Words and the Gift of Gab

By William Safire

WASHINGTON — "One original
thought," said Diogenes in the
fourth century B.C., "is worth a thou-
sand mindless quotations."

You can find that selfless-serving
blast at quotations in the Random
House Webster's "Quotatory," by
Leonard Roy Frank (\$45, but it's more
than a thousand pages with index and
claims to contain "more new quotes
than any other book.")

The neologism *quotatory* is a
nice coinage, instantly conveying the
meaning of "dictionary of quotations."
Frank's collection is rich in
fresh quotationage, much more than a
rehash of Bartlett's, grandfather of
quotatories.

This valuable aid to speakers and
writers cites sources and dates of the
original comment or at least a recent
quoting, so necessary to scholars. The
selection from Diogenes, for example,
is attributed to a column that appeared
in this space on April 7, 1996.

Unfortunately, I forgot where I
found it. It could be that one day long
ago, in my search for an honest man in
Washington, I shone a light in the face
of an old guy who said, "One original
thought, etc." (No, I really looked it up
somewhere.)

This is by way of introducing the
annual column about gifts of gab. As
the Christmas holidays approach, lan-
guage mavens everywhere look for
guidance on what new books to give to
literary friends. A gift of a word book
conveys more than words can say. Here
are two more:

A Dictionary of Modern American
Usage, by Bryan Garner, is an excellent
work to complement your hairsplitting
bet's copies of Robert Burchfield's
third edition of Fowler's Modern Eng-
lish Usage and the loosey-goosey but
most informative Merriam-Webster's
Dictionary of English Usage.

In some entries, Garner's work ex-
tends the reach of the prescriptive
Fowler and the descriptive Merriam-
Webster. In *about*, for example, the
American usage book deals with (and

frowns on my outdated use of) *about*
the head, where blows are sometimes
dealt. He's right; rather than sound like
a bully out of the '60s, I would now use
the Southernism *upside the head*,
which Garner should include in a fu-
ture edition.

I think that the difference between
enormity, in the sense of "outrageous-
ness" and *enormousness*, "hugeness,"
has broken down and that *enormity* has
taken over both meanings, though it is
used more often for size than depravity.
E. Ward Gilman of Merriam-Webster
agrees, but Garner, up there on the ram-
parts, holds that "the historic differentiation
between these words should not be
muddled." As long as you put some
thought into your decision, you pay yer
money and you use yer usage.

(This book sells for \$30 until Jan. 1,
1999, but the publisher — Oxford —
warns that it will be \$35 thereafter. I am
planning a similar marketing campaign
for a future word book of my own,
penalizing buyers an additional \$5 for
every month they fail to make their
purchase. Subtle literary sales pitch:
"This short-lived book is getting rarer
and more valuable every day — grab it
while it's cheap." Does that really fool
book buyers?)

"The Big Book of Beastly Mispro-
nunciations," by Charles Harrington
Elster, is not coming out until next
month (Houghton Mifflin, \$14, and
months after that, still \$14, until — like
all the others — it's remaindered at
Strand Book Store for half price).

But if you get a gift certificate to a
bookstore, invest in this pronunciation
guide in January; it's the best survey of
the spoken field in years, and includes
some original research. Take *short-
lived* and *long-lived*: "The *i* is long, as
in *alive*." That's because they come
out from the verb *live* but from the noun
life. When you hear a television pundit
pronounce the *i* as in *give*, go livid.

Rhyme helps orthoepists. (Go pro-
nounce that.) "There is no day or dem,
in *academia*," writes Elster. The word
should rhyme with *anemia* and *Bo-
hemia*. And *fellatio* should rhyme with
Horatio, he rhymes, taking note of a

form of what has come to be known
widely as "oral sex." "Anyone who
says fuh-LAH-tee-oh is speaking an-
other language (and a dead one, too),"
the author opines, "treating the word
as a foreignism when it is not. That
strikes me as ostentatious."

And Elvis is found at last. Is his
name PREZ-lee or PRESS-lee? North-
erners tend to prefer the Z, as did early
TV impresarios Ed Sullivan and Steve
Allen, but the author speaks to the lady
who runs the Elvis Presley Birthplace
in Tupelo (TOO-puh-loh), Mississippi,
as well as the people in Memphis, Ten-
nessee, and all agreed on PRESS.

He then viewed Elvis TV documen-
taries and heard it from the name-
owner's mouth: "In a comedy skit with
Milton Berle, Berle mistakes Elvis for
an important fan, and the King has to
set him straight. 'I'm Elvis PRESS-
lee,' he says."

How come there is an *ee* sound in the
middle of *prestigious*, when there is
none in *litigious*, *religious* and *prodigious*?
Because *prestigious* has an ac-
companying *oon*, *prestige*, pro-
nounced pre-STEEZH, and there ain't
no *oons litige, relige or prodige*.

Now let's get down to basics: how to
pronounce *the*. We all know that you say
THREE in emphasis: "Are you THEE
Elwood P. Dowd?" But how else do
you differentiate between THREE, pre-
ferred by Quakers and some announcers
at all times, and the less assertive
THUH, finished with a shy schwa?

When this was put to Elster by the
cameraman on a TV set, he replied:
"Say THUH before words beginning
with a consonant. You are THUH cam-
era operator for THUH TV show. Say
THREE before words beginning with
a vowel sound: THREE operator wins
THREE around-the-world tour."

And that's THUH gift list for THREE
earliest givers of a language book.
"Words — so innocent and powerless
as they are, as standing in a dictio-
nary," wrote Nathaniel Hawthorne, but
"how potent for good and evil they
become, in the hands of one who
knows how to combine them!"

New York Times Service

Dual Revival in New York: 'The Iceman Cometh' and the \$100 Seat

New York Times Service

NEW YORK — The \$100
ticket is back.

Emanuel Azenberg, prod-
ucer of "The Iceman
Cometh," starring Kevin
Spacey, says orchestra seats
for the ballyhooed revival,
which opens in April at the

Brooks Atkinson Theater,
will go for a single crisp C-
note. Other tickets will go for
\$50, and 100 seats for each
performance will cost \$20.

The hefty price stems from
the show's length, Azenberg
said: At four hours, "Iceman"
will require overtime for back-

stage staff. The length has also
limited the number of weekly
performances to seven, as op-
posed to the Broadway stan-
dard of eight, cutting revenue.

The price also reflects the
modern economics of Broad-
way. The show, which was
imported from London, will

cost \$1.5 million to mount, and
about \$225,000 a week to run;
the producers need to make a
profit of at least \$100,000 to
break even over the 12-week
run. "This is expensive, and it
has a short life," Azenberg
said. "I can't be accused of
trying to make a profit."

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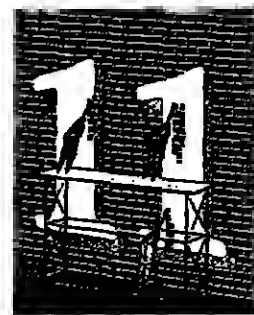
The long-life batteries in our terminals will
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of the necessity and viability of recycling nature's
wealth through various media campaigns.
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new batteries while cobalt and nickel are
recycled into perpetual magnets and stainless

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1999. This renumbering will also greatly facilitate
the preparations for receiving or making calls
anywhere in the world using one terminal when
such a service becomes available. Please ensure you
input the correct number when calling on or after
the above date.



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HEALTH/SCIENCE

Toning the Abs: No Best Way

By Liz Neporent
New York Times Service

NEW YORK — Exercisers are often confused about the best way to strengthen and tone the midriff. And for good reason: Experts cannot seem to agree, either. Even the research is not definitive.

For example, the biomechanics laboratory at Centinela Hospital Medical Center in Inglewood, California, completed a study this year comparing the effectiveness and safety of eight popular abdominal movements. To measure the amount of electrical activity — and thus the force of muscular contraction — researchers placed electrodes on each subject's three largest abdominal muscle groups — the rectus abdominis, internal obliques and external obliques — and on one hip flexor muscle. Of all the exercises, the crunch, or quarter sit-up, was shown to activate the greatest number of abdominal muscle fibers and the least number of hip flexor muscle fibers.

"This means that the crunch surpasses other exercises in terms of efficiency and low-back safety," said Marilyn Pink, the lab's director. She explained that when the hip flexors are over-exerted, they tug on the muscles supporting the lower spine, which, in turn, can contribute to back pain.

"You don't have to do anything fancy in an attempt to isolate the abdominal muscles," Dr. Pink said. "Simple crunches with your feet unsupported work best."

Another study reported last year in the journal *Medicine and Science in Sports and Exercise*, however, used similar procedures to reach the opposite conclusion. Researchers could pinpoint no single exercise that optimally trained all of the abdominal muscles with minimal stress to the lower back. The authors advocate doing a variety of exercises to sufficiently challenge all of the abdominals.

Len Kravitz, director of exercise science at the University of Mississippi at Oxford, agreed. "The whole theory of training muscles, abdominals or otherwise, is to constantly stimulate them with a different type of shock," he said. "If a muscle works in one way only, not all its fibers will be stimulated."

Dr. Kravitz recommends including crunches that involve twisting or rotation of the trunk, because they isolate the internal and external obliques,



Shawn Gaskins/GETTY

muscles that attach to the connective tissue of the lower back. "Strengthening these muscles helps bolster and support the spine," he said.

But Dr. Pink argued that the crunch variations serve only to place the lower back in greater jeopardy. "We found that twisting crunches increase intervertebral disk pressure and hip flexor activity," she said, explaining that these exercises involve less of the abdominal muscles and could be unsafe for the lower back.

Then there is Richard Bachrach, medical director for the Center for Sports and Osteopathic Medicine in New York, who advises forgoing crunch-type movements altogether because they only activate the upper fibers of the rectus abdominis, the wide, flat sheet of muscle, while the rest of the muscle goes unused.

"These are plenty strong to begin with," he said. He suggests doing reverse crunches, which involve keeping the upper body still while lifting the

legs and buttocks a small way upward to target the often weak and underused lower portion of the rectus abdominis.

Dr. Bachrach also advocates working a fourth muscle, the transversus abdominis, which lies deep beneath the other abdominals. Although it is not involved in moving the spine, it contracts to stabilize and support it, a function he and others believe is important for spinal health and good posture. Forceful breathing while tightening the abdominals, or exercises that call upon the abdominals to contract without any spinal movement, train the transversus as well as the other abs.

One thing experts do agree on: No amount of abdominal training will "spot reduce" the midsection, despite testimony by infomercials hawking various devices. A seminal, 1984 study performed at the University of Kansas evaluated the effects of 27 days' worth of regular abdominal exercises and concluded that they do not selectively reduce abdominal fat.

The Demons of the ICU

Many Intensive-Care Patients Have Psychotic Reactions

By Sandeep Jauhar, M.D.

NEW YORK — One night recently, when I was on call in the cardiac care unit at New York Presbyterian Hospital, I visited a patient who had been in the unit for nine days, recovering from a procedure to remove a clot in one of her coronary arteries.

She was doing well, breathing on her own, with a normal blood pressure and regular heartbeat. I thought she was asleep. But after a moment she opened her eyes. "Welcome, doctor," she said. "Will you have a drink?" She pointed in the dark toward her fully stocked bar and asked me to help myself. "You know where everything is," she said. "And fix me one as well."

I asked her where she was. "My apartment," she replied. She knew nothing about being sick or in the hospital.

I walked up to her IV pole and squeezed the bag of saline that hung next to her bed. She thanked me and went off to sleep.

Although this 69-year-old woman was deeply confused, she was actually acting quite normally. She was experiencing a disturbance called ICU psychosis, observed with increasing frequency as intensive care units proliferate.

In the 1960s there were only about a hundred "special care" units in the United States. Now most hospitals with more than 100 beds have some form of intensive care unit. About a third of the patients who spend more than five days there will experience some form of psychotic reaction.

EVEN if they have never had any psychiatric problems before, these patients may experience anxiety, become paranoid, or hear voices and see things that are not there. Sometimes, like my patient, they become severely disoriented in time and place. They may get out of bed and grapple with nurses. Occasionally they become very agitated, even violent.

That same night I responded to a 4 A.M. page and found myself in the room of a businessman from New Jersey, transferred to the unit after a heart attack. He was sitting at the side of his bed, his sheets soaked with bright-red blood.

He had pulled out his catheter and was threatening his nurses with jail for keeping him captive. Only hours earlier this man had spoken to me quite normally of his grandchildren, his country club and so on. Now he was a raving lunatic.

I ordered him sedated, and though I was confident that he would soon be his normal self again, I stopped outside his room to ponder what the attending physician had told me that morning. Get this patient out of the unit as soon as possible, he had warned. "People like him

ICU, studies show that more often organic factors are to blame. In fact, many experts object to the term "ICU psychosis" because it covers a number of conditions with a catch-all rubric that often deters further investigation.

This can be fatal. For example, delirious patients with blood infections may be prescribed anti-psychotics instead of the antibiotics they need.

As it is, at least 20 percent and perhaps as many as 76 percent of acutely ill patients with delirium die within a few months, possibly because of the severity of the illnesses that caused the delirium in the first place. When patients leave the ICU, the problem almost always vanishes.

Even in the ICU, the psychosis often resolves spontaneously, with the coming of morning or sleep. Sometimes it lingers through the day. Severe agitation usually occurs only at night, however, which is why doctors and nurses often call it sundowning, also a kind of delirium common in nursing homes.

When it does not go away by itself, though, doctors must identify the underlying cause. Dehydrated patients will require fluids, for example; those with heart failure, digitalis.

If it is environmental in origin, family members, familiar objects and calm words can help. But usually patients will require sedation with powerful anti-psychotics.

In recent years, progress has been made to reduce the stressors of the ICU. Many units now have visiting hours. Shifts are adjusted to minimize changes in the nursing staff caring for a patient. Lighting is adjusted to synchronize with day-night cycles.

But sometimes it is the small changes that make all the difference. I remember one patient who had suffered neurologic damage that had left him unresponsive. His son asked us to move him to the room next door because it had larger windows. The next morning I walked in to find the patient sitting in a chair, admiring the Queensboro Bridge.

He gave me a thumbs-up and his message was clear: All he wanted was a room with a view.

Dr. Sandeep Jauhar wrote this for The New York Times.

Something about the environment makes some patients, already experiencing high levels of stress, debility and pain, react adversely.

don't do well here."

No one knows exactly what causes this reaction, but it is generally accepted that something about the environment of the intensive care unit makes some patients, already experiencing high levels of stress, debility and pain, lose their minds.

Perhaps it is sensory deprivation — being caged in a windowless room, away from family and familiar things. Or perhaps the sensory overload — being tethered to noisy machines that are on all day and night. It could even be something as banal as pain, which studies show is often inadequately controlled in the ICU.

Perhaps it is sleep deprivation and disruption of the normal day-night rhythm. Or perhaps it is simply the loss of control that patients must feel as their bodies are probed and medicated, largely without their consent, by strangers who usually don't have time for explanations or empathy.

Whatever the cause, the phenomenon is so widespread that experts have explicitly defined it as an "acute brain syndrome involving impaired intellectual functioning which occurs in patients who are being treated within a critical care unit."

It is an example of the more general phenomenon of delirium. Delirium, or acute brain failure, often has organic causes. Dehydration, infection, low blood oxygen, inadequate cardiac output and drugs can all bring it on. And though environmental stressors are often implicated in the delirium of the

Osteoporosis Warning for Men

By Susan Gilbert
New York Times Service

NEW YORK — New research is challenging the medical textbook view of osteoporosis as largely a women's disease linked to the singularly female experience of menopause.

It now seems that osteoporosis is more prevalent in men than was previously thought, and that although men do not go through menopause, the main cause of the degenerative bone disorder is the same in men and women: an age-related drop in estrogen.

Several recent studies show that men's levels of this sex hormone decline with age and that the decline leads to a loss of bone mass, the signature symptom of osteoporosis.

Some of these studies were presented two weeks ago at a meeting of the American Society for Bone and Mineral Research and the International Bone and Mineral Society in San Francisco.

"This is surprising," said B. Lawrence Riggs, a professor of medical research at the Mayo Clinic in Rochester, Minnesota, who has found that estrogen naturally falls in men after about age 65. "Three years ago, none of us would have thought that estrogen loss was a factor in male osteoporosis."

Although men and women have estrogen, it is more abundant in women and plays a central role in female reproduction.

The National Osteoporosis Foundation in Washington estimates that of the 10 million Americans who have osteoporosis, more than 1.5 million are men, and that half of women and one in eight men over 50 will have an osteoporosis-related fracture.

But because osteoporosis is underdiagnosed in men, the numbers for men are probably higher, the organization's literature says.

Medical textbooks describe osteoporosis differently for men and women. In women it is linked mainly to the sharp drop in estrogen after menopause, because estrogen is known to slow the natural process of bone loss that occurs with age.

In men, however, osteoporosis is said to result from abnormally low levels of testosterone, a sex hormone more plentiful in males. The cause of low testosterone is usually a rare condition called hypogonadism, in which the testes are underactive.

Two studies presented at the meeting indicate that estrogen plays a more central role than testosterone in osteoporosis in men. Researchers following residents of Framingham, Massachusetts,

over five decades studied 382 elderly white men for eight years, tracking bone density, estrogen levels and signs of hypogonadism. Men with the highest bone density also had the highest estrogen levels; the connection with hypogonadism was negligible.

In another study, doctors in Germany measured bone density as well as estrogen and testosterone levels of 300 men with osteoporosis for five years. Forty percent of the men had low estrogen; 20 percent had low testosterone.

"We didn't see a pronounced effect of testosterone on the males' bone mineral density," said Peter Kaps, an orthopedic surgeon and the lead author.

PAMELA TAXEL, assistant professor of medicine at the University of Connecticut Health Center in Farmington, said: "These are suggestive findings, but larger studies are needed to understand the mechanism of estrogen and testosterone on bone health in men."

Dr. Taxel is studying the use of estrogen supplements to treat men with osteoporosis. She said research was needed to develop a form of estrogen that helps men without causing side effects like prostate disease or impotence.

IN BRIEF

New Testing for Cervical Cancer

LONDON (Reuters) — Doctors say a new test for cervical cancer that recognizes chemical changes in irregular cells could improve screening programs and save lives worldwide. The technique, dubbed the Campaign Test, is designed to be used with the standard Pap smear but will pick out and mark abnormal cells that can be easily missed in laboratory analysis.

Preliminary tests have shown the method is extremely accurate: If large-scale trials, due to begin in 18 months, are successful, then the test could be available worldwide within three years.

The new test uses antibodies that home in on protein molecules called Cdc6 and Mcm5 that are present only in replicating cells that are potentially cancerous. A fluorescent or colored dye is used to highlight the antibodies in the abnormal cells on a Pap smear test that contains 300,000 to 500,000 cervical cells.

Normal cells on a cervical smear test should not be dividing. On a laboratory slide, the irregular cells will come up a contrasting color to the healthy cells.

Sweets and the Aging Process

WASHINGTON (Reuters) — Rats that eat high levels of a natural sugar known as fructose seem to age faster than other rats — and the same could be true for people who eat too much sweet junk food, Israeli researchers report.

Fructose, found naturally in honey and fruit, is used widely in foods ranging from soft drinks to yogurt. But while its sweet taste is popular, the sugar could cause wrinkles and health problems, the researchers said.

Moshe Werman and Boaz Levi of the Technion-Israel Institute of Technology fed large amounts of fructose to laboratory rats. Writing in the *Journal of Nutrition*, they said the fructose-fed rats showed changes in the collagen in their skin and bones.

Collagen, a fibrous protein found in connective tissue, bone

and cartilage, basically holds the body together. The loss of collagen is what causes sagging and deep wrinkles in older people.

Other studies have shown that high fructose intake can affect how the body handles glucose and increases insulin resistance — which can both be important measures of the tendency toward diabetes.

The Benefits of Aspirin Therapy

CHICAGO (Reuters) — Taking aspirin regularly to ward off heart attacks and strokes increases the chance of a brain hemorrhage, but the benefits of aspirin therapy appear to outweigh the risks, researchers said.

Researchers at Tulane University in New Orleans analyzed 16 studies covering 55,462 patients who had aspirin therapy. They found that the number of patients spared a fatal heart attack or ischemic stroke — in which a blocked artery cuts off blood flow and oxygen to the brain — was larger than the increase in the number of brain hemorrhages.

Ischemic strokes account for 85 percent of strokes, and hemorrhagic strokes the rest. Aspirin therapy thins the blood and eases blood flow but raises the risk of internal bleeding.

Based on the study's findings, there were 137 fewer heart attacks per 10,000 aspirin therapy patients than otherwise would be expected, or a 32 percent decrease. There were 39 fewer ischemic strokes per 10,000 patients, translating to an 18 percent reduction. But the number of hemorrhagic strokes rose by 12 cases per 10,000 people, an increase of 84 percent.

The study found that, on average, aspirin therapy accounted for a 15 percent drop in death rates from all causes, a fatal heart attack and 12 percent fewer total strokes.

The basis for the finding that aspirin's benefits outweighed its risks was that heart attacks and ischemic strokes are far more common than hemorrhagic strokes. But, Jiang He, the author of the study, wrote in the *Journal of the American Medical Association*, "aspirin might be used with caution in subgroups who are at high risk of hemorrhagic stroke."

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EDITORIALS/OPINION

Herald Tribune

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Censure Is the Way

The House Judiciary Committee has now completed its task, and it has failed miserably. It has approved four articles of impeachment, of which two are ill-defined and two are unsubstantiated. It also has arrogantly voted not to report a censure resolution, thereby seeking to deprive the full House of any alternative to impeachment. The House Republican leadership should remedy this situation by somehow ensuring that the full House gets to vote on the sensible alternative of a strongly worded censure resolution.

There is no question that President Bill Clinton committed grave offenses and aggravated them by refusing to acknowledge either the offenses themselves or their seriousness. The two perjury articles reported by the committee are both, in our judgment, factually accurate. But in this case, impeachment is an overly broad response. And even here, the committee has dodged its duty by failing to specify the statements by President Clinton that were, in its view, "perjurious, false, and misleading." No one should be required to stand trial either in court or in the Senate without being informed of the specific allegations against him.

The obstruction of justice remains factually unproved. While the charges are serious and the evidence supplied by independent counsel Kenneth Starr raises questions that cannot be dismissed, the committee has not done the required investigation to sub-

stantiate these allegations. In the face of this failure, the article is irresponsible.

The abuse of power article, likewise, is a mistake. Before reporting it, the committee stripped it of some of its most offensive stretches. It now alleges that Mr. Clinton lied in his sworn answers to some of the 81 questions the committee posed him. Those answers were contemptuous, but they were carefully drafted to avoid making new factual assertions. They are, rather, largely composed of citations of prior testimony. While the answers are evasive and often nonresponsive, the committee has not made a persuasive case that they are perjurious.

Failing to send the Democratic censure resolution to the floor is the committee's final, crucial mistake. Republicans spent a good deal of time on Saturday deriding censure as unconstitutional. But nothing in the constitution prevents a censure resolution, as long as Congress does not seek to impose a fine or other material punishment on the president. A censure resolution is not a perfect outcome, but it would offer an intermediate step between giving him a pass on his misconduct and impeaching him for an offense that is mitigated by its distance from his public and official responsibilities. That censure marks a viable third way may be why some Republicans wish to avoid it. The new House leadership should allow members to vote on a reasonable alternative to impeachment.

—THE WASHINGTON POST

Activists for Rights

Fifty years ago this past week, the United Nations adopted the Universal Declaration of Human Rights and the Genocide Convention. The world of 1948, impressed by the Nuremberg Tribunals, seemed ready to enforce international laws to prevent new acts of genocide and crimes against humanity. But nothing happened—until 1993, when the international tribunal for Bosnia became the first of several new attempts to enforce these laws. One important reason for the change has been the participation of citizen-activists, who have initiated some of the cases and played a major role in shaping the new courts.

The case against Augusto Pinochet of Chile began with private citizens; an organization of Spanish lawyers filed a complaint accusing him of human rights abuses. The laws of Spain and many other nations allow judges to investigate complaints from the public and open a case if the evidence warrants. The 1994 French conviction of Paul Touvier for crimes against humanity in Nazi-occupied France began as a complaint by the son of a victim, and the work of Nazi-hunters such as Benoit Klagsfeld was instrumental in the 1987 conviction of Klaus Barbie. The only cases in U.S. courts against foreign human rights violators are suits

brought by private citizens against figures such as the Bosnian Serb leader Radovan Karadzic.

Activists outside government have also influenced the new international courts. The International Criminal Court would not have been endorsed last summer by 120 nations without the work of human rights groups, which mobilized citizens, lobbied leaders and wrote and analyzed drafts of the court's statutes. Governments have been more receptive to their arguments since the end of the Cold War, which had provided many of the world's worst criminals with political patrons. Leaders were also more willing to act because they failed to prevent genocide in Bosnia and Rwanda.

The new court can aggressively prosecute rape and sexual enslavement, as the Bosnia and Rwanda tribunals have. This is largely due to international women's groups, which lobbied the governments writing the courts' statutes and raised prosecutors' awareness of the issue. Outside pressure was unable to persuade Washington to join the court. Private citizens cannot push leaders where they refuse to go, but they have breathed life into the documents that their governments signed 50 years ago.

—THE NEW YORK TIMES

Left Out of Europe

A great task of this era is the integration of Europe's newly free nations into the trans-Atlantic community of democracies. Nothing could be more important for future peace and stability than to lock in liberty's progress. So it is a worry now that the drive toward integration may be losing momentum—not because of any diminished enthusiasm by the new democracies, but because of faltering commitment by the old ones.

Key to this process are NATO and the European Union. One is primarily a military alliance, the other economic, but membership in both carries significant political consequences. To belong requires, broadly, good citizenship on a national and international level: getting along with neighbors, respecting the rights of minorities, keeping the military under civilian control, guaranteeing basic freedoms and civil liberties. The desire to join these organizations has spurred many countries to move quickly toward these goals. Membership will cement the gains.

But the European Union is moving slowly. The Berlin Wall fell in 1989, the Soviet Union disappeared in 1991, yet no new members have been admitted. First-tier candidates now have been designated, and negotiations are under way. But whereas at one time nations looked forward to entry by 2002 or so, now speculation centers on 2004 or 2006 or even later. Such a

timetable plays with the adjective "deliberate."

The European Union is somewhere between a common market and a country, so taking on new members is complex. Thousands of laws must be aligned. But the delay also stems from a lack of political will. Poorer countries already in do not want to share the subsidies they receive. Rich countries do not want to take on new burdens. Unions and farmers fear new competition.

NATO soon will admit three new members: the Czech Republic, Hungary and Poland. It has pledged to keep its door open to others. At its 50th anniversary celebration in Washington next April, new invitations are unlikely to be issued. If so, NATO must take substantive steps to show that the open door is not just rhetoric. That means thickening cooperation with would-be members such as Slovenia and Lithuania, helping them to qualify, and putting in place mechanisms so that accession can take place once they do.

From Estonia in the north to Bulgaria in the south, nations released from captivity are eager to join the democratic alliances from which they were unwillingly excluded. The West does not lack for special interest groups with reason to forestall them. But inclusion, not isolation, is what will better suit the overall public interest.

—THE WASHINGTON POST

It's the Powerful Who Count, Ahead of the Kids

By Stephen S. Rosenfeld

WASHINGTON — Most of the content of Unicef's latest annual report on "the world's children" is about what you would expect. The familiar strategy of the UN Children's Fund is to identify children as a neglected social group without the capacity to generate its own relief. Hence the effort to pluck at our consciences with appeals for earnest striving in a worthy cause. Many of us who as individuals or countries lead privileged lives are pleased to respond to Unicef's evocation of our better nature.

This year the annual report, signed by Executive Director Carol Bellamy (former Peace Corps official, Wall Street lawyer and New York state senator) centers on education. Its most typical and telling assertion is that nearly a billion people, two-thirds of them women, will enter the 21st century unable to read a book or sign their names, much less operate a computer or understand a simple application form. So much for equity and for the supposedly magic touch of globalization.

Girls' schooling in particular is identified by Unicef as the closest thing available to an all-purpose develop-

mental "magic bullet." It is credited not only with imparting skills but with improving health, cutting back population growth, stirring economic growth and even promoting international peace.

Why, then, is this universally acclaimed project of basic education, and especially the education of girls, almost everywhere cherished but only slowly and erratically put into effect? Certainly it can't be just the cost. By agency estimates, it would take only an additional \$7 billion a year for a decade to extend primary education around the world. Ice cream money.

No, the answer lies elsewhere. It is the political will that is lacking, Unicef asserts. Here the report gets interesting as it turns toward the sensitive question of why big money goes to some projects but not to others.

When the international community decides that something is important or urgent, says Unicef, it can move mountains. Take the recent rapid \$100 billion bailout of collapsing Asian economies. Public banks simply jumped over the

sweeping, painful and protracted structural adjustments that they commonly require first from poorer countries. International Monetary Fund officials justified the favoritism by pointing to the importance of the Asian economies to the global financial system.

Two years ago the Fund and the World Bank launched a debt-relief operation to give the world's poorest countries a prospect of starting the new millennium with a clean slate. The effort foundered "not least because of petty disputes among creditor governments," says Unicef. The resulting inertia "should be profoundly embarrassing to an international community that responded so swiftly and munificently" to crises in richer countries.

Notes the report: "The message that emerges is that massive allocations of global resources are made when the economic stability and well-being of the developed countries are threatened. The calls for investment in development and human rights remain, and have not yet succeeded in generating a comparable response."

Perhaps a bit overdone, but in any

event admirably strong stuff for an official report.

The Unicef document goes on to detect a perceptible shift—perceptible to Unicef, anyway—in the international economic agenda: "After almost two decades in which human development has taken a back seat to globalization and structural adjustment, we may be entering an era of investment in 'human and social capital' that will make the task of spreading the education revolution worldwide much easier."

After all, education is critical to providing the trained population vital to sustain competitive markets and viable democracy. Moreover, the population of the developing world is no longer getting younger. Unicef depicts this demographic detail as an accomplishment in which education has played an important role.

We will see whether these trends produce the burst of appreciation for education that Unicef espouses. Meanwhile, we can contemplate whether we like the kind of class-fractured, power-centered world that it boldly and accurately describes.

—THE WASHINGTON POST

Clinton in Gaza: An Attempt to Keep Peace on the Rails

By Jim Hoagland

WASHINGTON — Yasser Arafat, who has made a career out of falling upward, reaches the summit of that difficult art with his scheduled welcome in Gaza this Monday of President Bill Clinton, who will need all of his fabled good luck to pull off this danger-filled journey.

The Gaza trip was conceived at Wye Plantation in October as a ceremonial affirmation of the agreements that the three leaders reached there. The promise that Mr. Clinton would go to the desperately poor, insurrectionist enclave was intended to hush and guarantee the Palestinians' formal renunciation of armed struggle against Israel.

With unrest sweeping Gaza and the West Bank, Benjamin Netanyahu backed against the wall by domestic political confrontation over the Wye accord and Mr. Clinton still not out of the impeachment woods, the

trip risks being more sacrificial than sacred.

The trip offers these leaders one more chance to recognize how and why the once promising Oslo movement toward Israeli and Palestinian coexistence has gone so wrong, and to keep the process from being swept off the rails completely.

Essence of Clinton waits through all of this: His trip to Gaza is form as content, travel as commitment, promise as performance. He is going ahead with the visit despite the dangerous conditions and the now open Israeli opposition. Secretary of State Madeleine Albright told reporters the other day, because he has said he would go. The Gaza trip was part of the Wye deal.

The president interjects his office in a highly visible personal fashion into the struggle

between Mr. Arafat and Mr. Netanyahu over the endgame of the Oslo process. They no longer pretend to be productive partners. Each has returned to clawing out advantage from the other where he can.

The dangers Mr. Clinton courts by putting himself in the middle illustrate the dangers of the peacekeeping role he assigned at Wye to the CIA. The agency's role is to create a trust that five years of implementation of the Oslo agreement have not produced between Israelis and Palestinians. This is a vast project that may be a true Mission Impossible.

There is now "an inverse ratio between confidence and diplomacy," foreign policy analyst Harvey Seidenman says of Israeli-Palestinian peace efforts. "The less confidence, the more diplomacy is required to

achieve yet another affirmation by the parties" of what has already been agreed on paper.

That, I fear, will sum up Mr. Clinton's trip. It could merely pave the way for greater and greater American effort in search of increasingly ephemeral gains.

Essence of Netanyahu is also in the air. The Israeli promised at Wye to release Palestinian prisoners. He has been releasing into Mr. Arafat's embryonic state car thieves and armed robbers, not political activists. (There was and should have been no expectation that he would release convicted terrorists.)

This is a clear expression of his attitude and tactics toward the Palestinians. He will carry out agreements in his own fashion, to weaken and fragment whatever political construction he will eventually grant Mr. Arafat. Mr. Netanyahu seems not to have asked himself if the

humiliated and broken partner such tactics can achieve is worth achieving.

Mr. Arafat also needs to understand the limits of his art, which is succeeding by failing.

He fashions a state out of military victory but out of the ashes of his failed war of liberation. He was caught unaware 11 years ago this month by the infidels that eventually drove the Israelis to Oslo. His opportunistic support for Saddam Hussein in 1990 brought the Palestine Liberation Organization so low that Israelis were finally able to imagine peaceful coexistence.

There is no room for triumphalism in these circumstances, even as Mr. Clinton's visit awards Mr. Arafat a great political coup. Israelis and Palestinians must share each other's success, or they will surely share each other's failure.

—THE WASHINGTON POST

Ten Years of U.S.-Palestinian Dialogue, and Much Still to Achieve

By Richard Murphy

NEW YORK — When President Bill Clinton visits Gaza this Monday, it will be 10 years to the day since the Reagan administration reached the fateful decision to open the first official talks with the Palestine Liberation Organization.

By December 1988 I had served as assistant secretary of state for Near Eastern and South Asian affairs for more than five years. We had helped to avoid a Middle East war but had not expanded the peace.

The Egyptian-Israeli peace treaty of 1979 proved unable by itself to sustain momentum in the peace process, and I participated in several failed efforts to keep it going. After each failure, we heard a few more voices urging Washington to "talk to the PLO."

Time was running out for a dialogue to start before President Ronald Reagan and Secretary of State George Shultz

would leave office in January.

Mr. Shultz had inherited a formula, adopted at Israeli urging in 1975, containing conditions which the PLO had to meet and language it had to use before the United States would agree to talks. Its essence was that the PLO had to accept UN Security Council Resolution 224 and 338 and Israel's right to exist. Cynics said the Israelis had designed a formula which the PLO could not accept.

For many years the cynics were right. The PLO leadership demanded, among other things, Israeli recognition of the Palestinian right to exist. Mr. Shultz was determined to extract the 1975 formula from the PLO leadership before recommending to Mr. Reagan that the time had come to start the dialogue. He decided in November 1988 that Yasser

Arafat should be denied an American visit to address the General Assembly in New York. United Nations members responded by calling for a special session of the General Assembly in Geneva to hear Mr. Arafat's speech.

The pressure to start a dialogue with the PLO intensified. On Dec. 7, Mr. Arafat, after intensive talks with a few prominent Jewish Americans, issued a statement jointly with the Swedish foreign minister saying that the Palestine National Council had established an independent Palestinian state, recognized Israel as a "state in the region" and noted that the PNC rejected terrorism "in all its forms."

Palestinian sources said Mr. Arafat would include the 1975 formula in his speech in Geneva on Dec. 13. I listened to it and

reported that he seemed to have covered the elements but had not included the formula in his speech. The next day, after a flurry of telephone "don't ask, don't tell" messages, Mr. Arafat's speech was read by a "non-PLO Palestinian" who was apparently sitting with Chairman Arafat in his hotel suite. I was assured that he would state the formula in full during a press conference that afternoon. He grumbled memorably that he was being asked to "do a striptease," but in the end he did repeat the formula.

Mr. Shultz then went to the White House to see Mr. Reagan. After that, he authorized me to advise my contacts that the chairman had met the American condition and that a dialogue could begin. It started in Tunis 48 hours later.

When Mr. Arafat did not condemn an attempted attack on an Israeli target the following year, the talks were broken off. But the principle had been established, and since then Washington has not challenged the PLO's assertion that it was "the sole legitimate representative of the Palestinian people."

In these past 10 years, PLO negotiators have learned that it is better to stay in negotiations, say "no" when necessary, but not talk away in indignation. They have succeeded in drawing the American side deeper into the talks than the Americans believe.

For this, Prime Minister Benjamin Netanyahu has himself partly to blame, given the prolonged interruptions in the talks that have characterized his administration.

Foreign Minister Ariel Sharon's recent call for Israelis to occupy every hilltop on the

West Bank before the next stage of talks on final status issues was a thoroughly candid expression of his goals. If it stands for Israeli settlers' causes, this will slow negotiations. However, Mr. Sharon's straightforward call for a land grab should be easier for the Palestinians to cope with than the stand of the extreme religious right in Mr. Netanyahu's governing coalition.

Mr. Clinton visits a Gaza, where Palestinians have taken charge of their fate to a greater degree than ever before. He has just made a new U.S. pledge of economic assistance and has helped raise billions of dollars in international pledges to help them build their infrastructure.

He is not visiting an independent state. He will likely urge Mr. Arafat, privately as well as publicly, to abstain from declaring statehood next May as long as negotiations are still in progress.

He will see a community in severely depressed economic conditions, where complaints about waste, mismanagement and official corruption are rife. But he will meet on their home grounds a people who aspire to a society distinct from the models they have lived with and under in the Arab world: a society where elections will matter and political parties are allowed to play serious roles.

The writer, U.S. assistant secretary of state for Near Eastern and South Asian affairs from 1983 to 1989, is senior fellow for the Middle East at the Council on Foreign Relations. He contributed this to the International Herald Tribune.

For an Efficient Southeast Asia

By Rodolfo C. Severino

HANOI — Soon after financial turmoil hit Southeast Asia in July 1997, many people asked whether the Association of South East Asian Nations would retreat into protectionism. Some predicted a significant slowdown in the program to establish the ASEAN Free Trade Area, which will be a market of more than 500 million consumers. Such expectations fly in the face of logic and the facts.

Backsliding on economic integration and restrictive action on trade and investments are illogical, because they would be the surest way of eroding business confidence and deterring investments. Investors are looking for large, integrated and efficient markets, not small, fragmented and inefficient ones.

Forging ahead with regional economic integration and maintaining open trade and investment regimes are the only sensible way to go.

ASEAN trade and industry ministers, meeting two months ago at the AFTA Council, heard one another report on what they had done, or committed themselves to do, to advance the free trade area more rapidly. Most of the actions involve the faster transfer of products from exclusion lists to the inclusion list of items covered by AFTA.

As it is, about 83 percent of all tariff lines in ASEAN, some 46,000 of them, are covered by the AFTA scheme. Tariffs for these products are down to 5 percent and ex-

pected to fall to less than 4 percent by the year 2000.

Improvements have been made in the ASEAN Industrial Cooperation program, under which the products of companies operating in two or more ASEAN countries enjoy full AFTA treatment—that is, tariffs of no more than 5 percent—upon government approval of their applications for inclusion in the program. This is integrating the region further as a base for production.

ASEAN is also well advanced in its negotiations on trade in services. The first package of commitments on seven priority sectors was concluded last year. A second package was approved two months ago. A new round of negotiations will be starting soon, covering all remaining services sectors.

The first package covers telecommunications, construction, financial services, business services, air transport, maritime transport and tourism.

Last month, the trade and industry ministers signed a framework agreement establishing the ASEAN Investment Area. The nine ASEAN countries are to open most industrial sectors to foreign investments to the extent of giving them the same treatment that national investors receive. ASEAN will take concerted action to promote investment in the region.

The agreement, which is binding on all ASEAN members, also offers greater transparency, more liberal investment regimes, and methods of settling disputes.

At their summit meeting in Hanoi this Tuesday and Wednesday, ASEAN's leaders will put their seal of approval on steps to accelerate the integration of markets in goods and services, and the liberalization of trade and investment regimes. These measures will be a mandate for pushing the recovery of ASEAN's economies, greatly improving the business climate for investment and trade, raising the skills of ASEAN's people, and ensuring the region's competitiveness in the global marketplace.

The ASEAN leaders are expected to approve measures to cushion the social impact of the recession, protect the environment from the heightened threat posed by the crisis, and develop people's skills to prepare them for a fast-changing market.

The Hanoi summit promises to be a productive one for the near-term prospects of Southeast Asia's economies and their long-term potential. Already, perceptions of the region's economic prospects and potential are less pessimistic than they were only a couple of months ago.

The writer is secretary-general of ASEAN. He contributed this column to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Southern Deceit

PARIS — The "Sun" says: "It is very affecting to hear Southern Democratic anti-expansionists talking about the consent of the governed and insisting that equal rights must prevail on American soil. Colored men in many parts of the South are governed without their consent, yet at the mention of political inequality in the Philippines every Southern anti-expansionist weeps noble tears and pumps sobbs from his indignant windpipe."

1923: The Soft Collar

PARIS — [The Herald says in an Editorial:] The minority has always determined what "dressy" men must wear. But a revolt of the majority has manifested itself of late years. Of that revolt the soft collar and the soft hat are the most striking symbols. Mercantile persons interested in furnishing for the masculine toilet

have taken serious alarm. Their theory is that no other single article has profounder influence than the soft collar in determining the kind of clothes which it will be worn. Comfort is the greatest obstacle to the success of their plan. Moreover, the historical development of man's dress must be taken into account. Its whole evolution has been towards comfort.

1948: Nicaragua Raid

SAN JOSE — Costa Rica rushed to mobilize its recently disbanded army to repel an invasion force of some 1,500 troops from Nicaragua who have driven thirty miles across the border toward San Jose. The invasion was reinforced by 300 Mexican Communists. The invaders were ostensibly supporters of former President Don Teodoro Picado ousted last spring in a revolution led by President Jose Figueres.

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BUSINESS TO e-BUSINESS: AUTOMOTIVE

THE ROAD AHEAD FOR CARMAKERS

The auto industry's challenges: competition, complexity, customization and excess capacity.

The October merger of Chrysler Corp. and Daimler-Benz AG, which created the world's fifth-largest carmaker — with combined sales to exceed \$155 billion next year — came about as a response to many of the challenges facing the auto industry today.

These might be listed as the four "Cs" — competition, complexity, customization and capacity in excess of global demand.

Friedrich Christener, general manager, IBM manufacturing industries, Europe/Middle East/Africa (EMEA), who also has global automotive responsibilities for IBM, explains that carmakers today face competition in every aspect of their business. They need to be in every niche of the market to maximize cost efficiencies, and they must be lean, agile and cost-conscious, as Chrysler learned to his regret after its near-bankruptcy bailout by the U.S. government in 1979.

Complexity is due in part to the globalization of the auto industry. Car manufacturers must cope with a variety of locations, government regulations and incentives, distribution patterns and consumer buying habits.

The newly combined DaimlerChrysler, for example, has manufacturing facilities in 34 countries and sales in more than 200.

In addition, automobiles themselves are becoming more complex. There are up to 20,000 components in an average car, and between 30 and 40 microprocessors controlling transmission, braking, traction, air bags, seat belts and anti-theft systems, among others. And the number of microprocessors in cars is growing — the Mercedes S-class boasts 115.

One customer at a time. Buyers are demanding more and more customization in their cars, especially at the luxury end. "Very flexible production is needed to handle this," says Mr. Christener.

Finally, Mr. Christener points out that the automakers now have to deal with a 20 percent excess in manufacturing capacity. "The auto industry is cyclical," he says, "compounded by the economic situation in Asia and Eastern Europe. The result will be a further increase in competition and continued mergers and joint ventures and alliances."

From 20 major car manufacturers today, there will be 10 in coming years, predicts Peter Robison, director of IBM's automotive competency center, manufacturing industries, EMEA. "The



power balance is shifting," he warns, with a reduction in OEMs (original equipment manufacturers) and suppliers.

The upshot is that car companies must learn to "provide solutions, not build cars," says Mr. Robison, a former auto executive.

Information technology can help auto manufacturers respond to all these challenges. Computer-aided design shortens development time, and sophisticated links among designers, suppliers and manufacturers lower costs, making carmakers more competitive. Chrysler has learned this lesson; its 110,000 employees have

been producing 3 million cars annually.

Managing complexity. "The drive to technology is not just a question of cost," says Eberhard Roller, IBM's director for global embedded and production solutions (GEPS), auto industry, EMEA. Companies must embrace new technologies because "manufacturing processes are now so complex that nothing else can handle them."

Mercedes, which has traditionally emphasized engineering quality over speed to market, uses technology to enable its engineers to ex-

plore a variety of concepts, materials and functions within a given time frame.

Mass customization — tailoring mass-produced goods to individuals — would not be possible without IT solutions to gather, organize, communicate and execute consumer-driven orders. No paper-based system could keep track of millions of cars, each one tailored to a specific buyer preference.

"All our technology has an end-user focus because the customer is determinant," says IBM's Mr. Christener. "The business drives the technology and not the other way round."

Since excess capacity gives rise to mergers and new alliances, technology has a major role to play in the restructuring of the industry. The integration of suppliers, designers, manufacturers, dealers and customers calls for information networks operating on a real-time basis.

In the past, automakers looked at each of these parts separately. "But technology can link them together," notes Mr. Robison. He emphasizes that IT alone is not enough: "You have to change the organization as well as introduce the technology to make a difference."

CLICK HERE FOR BLACK LEATHER SEAT COVERS

A number of Audi dealerships in Germany, plus five airports — Berlin, Frankfurt, Hamburg, Hannover, and Munich — will be equipped with kiosks that enable customers to "build" the Audi they want, including options, colors and interiors, without sales assistance. The kiosks will be accessible even on Sundays, when car dealerships are closed in Germany.

"Customers may choose to configure their car on Sunday, then bring it to the showroom during the week. This saves time," says Reinwald Henne, project manager, IBM Professional Services, who helped develop the kiosk.

Although a useful support at dealerships, the kiosks may be most valuable in other locations, such as upscale shopping malls, trade shows, professional conventions and airports, says Wayne-Anthony Griffiths, manager, international trade marketing, at Audi. "I'm not a new media specialist. I'm a marketing person, and I expect this technology to generate leads and increase sales," he says.

Prospective Audi customers in Germany don't need a computer to configure the car of their dreams

Customers will be able to learn more about Audi's history and organization, order price lists, study leasing options, send feedback directly to Audi and check lists, updated hourly, of used cars available through Audi dealers across Germany.

An on-line solution was essential, says Mr. Griffiths, because Audi wanted information that could be updated immediately.

The system uses standard hypertext markup language (HTML), so information used on the kiosk can be used on Audi's Web site as well.

The kiosks also provide information on Audi's new AudiTT, a two-seater sports car geared to the Internet generation. Because only a few large dealers will carry it in their showrooms, the kiosk allows customers elsewhere to examine it in some detail.

In coming months, the kiosk concept will be tested internationally at dealerships, prestigious shopping malls and airports in Austria, the Netherlands, Spain, Switzerland, the United Kingdom and the United States.

AN EYE ON IMPROVING SERVICE

By the beginning of 1999, Swedish carmaker Saab will have linked all 225 of its U.S. dealerships in an e-business-based intranet it calls IRIS (Intranet Retail Information System).

IBM Global Services and CST Inc., an Atlanta-based IBM business partner, were among the project's primary vendors and helped modify Saab's existing systems and applications for the intranet solution.

The reason is simple. "We expect to sell more cars," says Jerry Rode, director of information technology, Saab Cars USA, "and retain our customers by providing better service to them."

Dealer communication systems per se are nothing new, but IRIS is the auto industry's first sales-side network. Based on browser technology, it is simple to use and offers more functionality and graphics than previous systems. "IRIS easily outperforms Saab's older proprietary network," says Forrester Research, a technology research firm, and "offers Saab a competitive advantage by providing better service and easier access to information."

Saab required each dealership to have a minimum of four computers, one each for sales, parts, service and back office. One dealer, who had no computers at all, enthusiastically purchased 16. His response was not atypical.

"Our dealers love IRIS because it is on all the time," says Mr. Rode. "And they can improve customer service." For example, Saab car keys are electronically coded, so if a key is lost, the owner must go to a dealer, who has to contact headquarters for the code. With IRIS, this process takes seconds rather than hours.

Saab manufacturing also benefits from the system. In the past, the car warranty provided the only consistent feedback in terms of car performance. Now, information is sent to headquarters every time a car comes in to be serviced.

More information also helps manufacturers optimize their distribution costs, which represent about one-third of the final cost of a car, points out Adriano Beretta, marketing, sales and support manager for IBM's auto industry practice, EMEA. "Our mission is to help the manufacturer be more competitive," he says.

Although IRIS began in the United States, it will be rolled out to the European market in the near future. In Europe, unlike in the United States, car distribution is often separate from sales and service, especially in Southern Europe. In France alone, there are between 5,000 and 6,000 dealers and 40,000 service centers, and the latter may be franchised or independent.

IBM is installing a variety of networks in Europe that take account of these differences. For Italian truck manufacturer Iveco, IBM developed a simple dial-in facility that links Iveco offices in 34 locations in 33 countries around the world. The system significantly improves Iveco's worldwide parts service to its main dealers and its customers.

"It costs five times more to win a client than to keep a client," observes Mr. Beretta, so manufacturers and dealers have a strong incentive to add value and enhance customer satisfaction and loyalty.

E-business dealer and service networks go a long way toward this goal, but they cannot be considered ends in themselves.

Saab's Mr. Rode already has a shopping list of 63 enhancements to IRIS, including links to financial institutions, carriers (so customers know when their car will arrive), used-car information, calendars for on-line scheduling of service appointments and auto purchase on-line.

"Manufacturers have to find new ways to work in partnership with their franchised dealers, because the latter know the customer best, and that is the key to brand loyalty," Mr. Rode says.

DESIGNING PROFITS

Web-style applications have been developed for using three-dimensional digital prototypes.

Cars exist in a three-dimensional world, so it makes sense to design them in three dimensions, even on the drawing board. Thanks to advances in computer-aided design (CAD), designers have been increasingly doing so over the past several years. Using 3-D digital design, rather than physical prototypes, car manufacturers are able to shorten their production cycles, with resulting lower costs and quicker time-to-market.

"All cars today have benefited from 3-D," says Klaus Schaefer, director of IBM engineering solutions, Central Europe.

A three-dimensional digital mockup (DMU) can make all phases of auto development more efficient. The design phase is simplified, engineering can be more productive, the testing cycle is shortened and problems can be identified at an early stage, making vehicles less costly to produce and safer on the road.

CATIA, the Computer-Aided Tridimensional Interactive Application first de-

veloped in 1981 by France's Dassault Systemes and marketed by IBM, is used by the vast majority of car manufacturers today. It offers the ability to introduce changes relatively late in the product development cycle, as well as features that bring the final customer closer to the company, e.g., test driving a vehicle through virtual reality or configuring a car in a dealer's showroom.

CATWeb takes this solution a step further by combining the efficiency of digital prototyping with the collaborative power of the Internet. Centro Sile Zagato, an Italian auto design firm, has been using CATIA since 1986 and is now testing CATWeb to distribute design information throughout the company. Product director Maurizio Azzini sees this as the future evolution of the industry.

His company just designed a new train vehicle for the city of Milan in six months. "Without CATWeb, our proposal would have been less concrete, and the time might have been twice as long. We were able to reduce time and



costs, with better integration of engineering and development."

Mr. Azzini looks to new technologies as a way of giving his firm a competitive advantage, "a way of simplifying product development, not complicating it."

Using CATIA for the design of one of its 1998 cars, Chrysler found more than 1,500 "part interferences" and fixed them before a

single physical prototype was made. The total number of physical prototypes was reduced from 50 to 27.

With digital prototyping and effective data management, Chrysler saved at least \$80 million during one car program development by designing and engineering everything with CATIA, and reduced development time by eight months.

"Data management" is as

important as digital design in achieving cost and quality improvements. An effective data management tool is needed to track the input — and the updates — of all the designers, engineers and suppliers involved in auto development. Without automatic access to updated information, the time costs of updating a model (if possible at all) may outweigh the benefits of digital mock-ups.

And product cycles are shorter than ever. Instead of developing three cars in 10 years, today's engineers may produce 10 models in two years, says IBM's Mr. Schaefer.

At the same time, profit per vehicle in Germany has increased, he notes, thanks to "good management practices, the technology to drive them and the people to operate them."

MASS-PRODUCED, BUT CUSTOM-MADE

Auto plants are being reorganized for "just-in-time" and sequenced production.

When plans were announced for the first Mercedes factory in the United States in 1993, two prestigious reputations were laid on the line. One was that of Daimler-Benz AG (now part of DaimlerChrysler); the other was IBM's.

From the beginning, the factory was designed to create a new way of producing cars, with innovation built into the basic premise.

"The stakes were high for both names if things didn't work out," says Wayne Zeek, project executive, IBM global services, who helped design the plant.

Mercedes wanted to be successful with the new venture and was willing to try out

new manufacturing concepts to make it work. IBM had been eager to develop a long-term partnership on a high-visibility project and agreed to an unusual compensation arrangement (based partly on the number of vehicles produced) to prove its point.

Today, 65,000 vehicles per year are produced, but the demand has been so great for the M-Class sports vehicle that capacity is being increased to 80,000 vehicles per year. And another assembly plant is being prepared in Austria to produce 30,000 more.

Together, Mercedes and IBM created a fully integrated, enterprise-wide information technology system to support the plant's business processes.

Such a comprehensive technology solution — including consultation, systems implementation and ongoing support — had never been implemented by an automaker so quickly (in just over three years).

"We implemented lean manufacturing techniques made possible by recent technology," says Mr. Zeek. "There are no warehouses

and no inventory. Everything is JIT [just-in-time] and sequenced."

Sequenced production means that customers can order cars custom-made to their specifications. In Europe, an unsophisticated version of build-to-order mass customization has been practiced for years, says Eberhard Roller, IBM's director for global embedded and production solutions (GEPS), auto industry, EMEA. Buyers sit down with a dealer to choose the features they want, then wait — and wait and wait — until their purchase is ready.

The U.S. buyer, in contrast, is used to going to a dealership, bagging over available models and prices, and driving out with a car an hour later. This build-to-plan approach has high inventory costs and sometimes low customer satisfaction. BMW dealers in the U.S. make \$450 more per vehicle when their buyers custom-order.

Mass customization is made possible, in part, by automated line-control systems. These systems contain the data for every car coming down the line, including which features it should

have. They used to be proprietary, but the trend today is to standardized systems, such as IBM's AutoView, a precursor of which is used at the Alabama plant.

U.S. manufacturers are taking the lead but "all ALC systems will be moving in this direction in the next three to five years," says Mr. Roller.

AutoView has quality checks built in, plus easy-to-change features so a manufacturer can individualize production based on customer requirements. It will soon be available as a full Java-based solution so it can be internetted for JIT with suppliers.

In the average car, the manufacturer makes 40 percent of the parts, and the rest are supplied. But this is changing rapidly.

Parts for the Smart Car, introduced less than a year ago, are 90 percent supplied by outside sources, and only 10 percent by (the) Daimler-Benz AG. In 1996, Volkswagen AG opened a truck assembly plant in Brazil on the principle of modular manufacturing, with suppliers on the site. ■

CAR SALES GO ON-LINE

In August, Mercedes became the first car manufacturer to sell its cars directly over the Internet, says James McQuivey, an analyst who covers automotive sales for Forrester Research, a technology research firm. The offer was made only to customers in the United States who were planning to pick up a car in Germany and drive it around Europe, then ship it back to the States.

Buying directly on-line may be the wave of the future. But for now, indirect on-line sales — in which the buyer does research over the Internet and is then referred to a dealer for delivery — is changing the auto-distribution landscape.

In 1997, 135,000 cars in the United States were bought that way. Some experts estimate that 40 percent of auto buyers will do research on the Internet in five years, notes an IBM executive, Friedrich Christener. And an Arthur Anderson study estimates that by 2004, the Internet will play a role in one out of three car sales in Europe.

"The fact is that customers hate going to showrooms and being subjected to sales tactics," says Mr. McQuivey. "Dealers still tend to see Internet leads as a threat," he says. "They need to realize that Internet prospects are different from the average customer. They are already halfway through the sales cycle."

FOR MORE INFORMATION ON e-BUSINESS:

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The Web version of "Business to e-Business: Automotive" hotlinks the following words to other relevant Web sites:

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"BUSINESS TO e-BUSINESS: AUTOMOTIVE"

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PAGE 13

Silicon Duo To Take On Microsoft

Sun and Oracle Move To Simplify Computers

By John Markoff
New York Times Service

SAN FRANCISCO — Sun Microsystems Inc. and Oracle Corp. will announce Monday a partnership to build appliance-like computers that hide the complexity of the operating system from computer users.

The agreement is the first step in a strategy outlined by Oracle's chairman, Lawrence Ellison, in his battle to unseat the company whose Windows and Windows NT operating systems dominate the computer industry, doing away with the operating system almost entirely.

The agreement, which covers technology-sharing and marketing, is based on a cross-licensing agreement the two companies signed this month that gives Oracle the ability to use a portion of Sun's Solaris operating system to create simple server computers that will come pre-configured to run Internet and office database applications.

The agreement also permits Sun to add Oracle's database to its operating system for a management application.

The agreement specifies that both companies will use each other's key technologies in limited ways so as not to compete directly, according to a copy of the agreement made available to The New York Times.

The new strategy is a refinement of Mr. Ellison's original attempt to convince corporate computer managers to simplify their computing networks by doing away with personal computers on workers' desktops and replacing them with a simpler terminal called a network computer.

Novell Inc., Sun, Netscape Communications Corp. and a number of other Microsoft rivals had begun plotting an alternative computing environment to the personal computer in 1993 based on inexpensive desktop computers that would download software via corporate networks.

Network computing has been slow in developing in part because of the dramatically falling cost of personal computers and in part because of the lack of network computers have been slow to offer a commercially viable system.

Mr. Ellison said his allies have not given up. In its most recent variation, the network computing idea calls for the centralization of almost all computing tasks, so that users' computers will run only a web browser, or possibly just display the output of a program running on a server computer.

Last month Mr. Ellison said Oracle planned to introduce a new version of its Oracle 8 database program that he said would be sold by PC server companies, such as Compaq Corp., Sun Microsystems, Hewlett-Packard Co. and Dell Computer Corp. as a plug-in appliance without a visible operating system.

At the time Mr. Ellison said that he had been in talks with those companies but that licensing terms had not been settled on.



Boeing's President Harry Stonecipher, left, and Chairman Philip Condit have had a choppy year capped by weak profit predictions. "No one could have run this place successfully for the last year," said Mr. Stonecipher.

CYBERSCAPE

With Go, Disney Enters the 'Portal' Wars

By Saul Hansell
New York Times Service

NEW YORK — A 19-year-old college student sat alone with a computer as a commanding voice echoed through the windowless room.

"Now go to No. 5," the voice said. "Find out what the weather is like in San Jose."

The student was taking part in a test of the Go Network, Walt Disney Co.'s answer to Yahoo! Inc., America Online Inc. and all the other "portals" to the Internet — entry points to a world of information, entertainment and commerce.

Go wasn't going so well, however, at this late October test in Sunnyvale, California. As the student scrolled, three young women behind a one-way mirror monitored each of her hesitant clicks of the mouse. It took her a long time to find the weather section on Go's crowded front page; then she was stumped, because she thought she needed to know San Jose's ZIP Code. She could have determined the weather in Silicon Valley a lot more quickly by stepping outside.

Disney hopes that it has gotten the bugs out of Go by now, especially since it is offering a preview of the site (go.com) to the public starting Monday. A formal introduction is scheduled for January. While the company is already a major presence on the Internet — with popular sites for sports fanatics (espn.com), news hounds (abcnews.com) and soap opera viewers (abc.com), among hundreds of others — it is now making a bigger bet on cyberspace than any other media concern in the world.

In a complex deal, in June, Disney traded some Internet operations plus \$30 million in cash for a 43 percent stake in Infoseek Corp., an also-ran Internet search engine company, which will run Go. Disney will funnel \$156 million to Infoseek to promote the new Web site on ABC, which Disney owns.

and on Disney's cable channels.

Indeed, Disney will deploy everything from its cruise ships to its theme parks to trumpet Go, just as it stretched its every synergistic muscle for "A Bug's Life," its current hit movie.

Why bother?

Disney is entering a crowded field in which big media companies have repeatedly founded — most notably its rival Time Warner Inc., whose pioneering Pathfinder portal has struggled as more nimble Internet companies have vaulted ahead.

At first glance, Disney's offering has little to distinguish it from the leading portal, Yahoo, which sets the standard for being fast, easy to use and loaded with handy features — news, financial data, electronic mail, chat groups and the like. America Online incorporates those same features in the Internet access it provides to half of America's wired homes, and it just agreed to buy Netscape Communications Corp. largely for its popular Internet portal. Other rivals abound, including Excite, Lycos, Microsoft Corp.'s MSN and Sun, which is backed by General Electric Co.'s NBC unit.

And given that hardly any of these businesses are profitable, Disney — with so many opportunities in movies, television and theme parks — could have found easier ways to get a return on its investment.

Still, the Disney chairman, Michael Eisner, has personally orchestrated much of the Go initiative, down to selecting its traffic-light logo. He concluded that Disney had no choice but to enter the fray. "We want to be a relevant company," he said last week. "I don't want to have our company be in the railroad business while people are flying overhead in airplanes."

Contrary to much of the evidence so far, Mr. Eisner is betting that "content" — the information and entertainment created by Disney — will give Go an edge over Yahoo and its kin, which

dismiss content as a mere commodity, preferring to link users to information rather than originate it themselves.

And every page — along with every other Disney Web site — links to Go, in what the company hopes can become a largely self-contained cyberuniverse.

Microsoft, America Online and others have reduced investments in original Web content. "It's a very big bet to cast your lot with one group of content sites and assume what is good today will also be good tomorrow," said Jerry Yang, a co-founder of Yahoo.

But Mr. Eisner argued that as the Internet matured, Disney's strengths would be more important. "As technology becomes comfortable, the product takes over," he said, comparing the Internet now to cable television in its early days. "At first, the point was to improve the picture on your broadcast channels. Now it has turned into a product play: How good is the Disney Channel or the Discovery Channel?"

So far, however, analysts who have seen Go say that it does not seem to be anything special.

"I don't see Disney as an also-ran, given how much money they will throw at this," said Patrick Keane, an analyst with Jupiter Communications, a consulting firm in New York. "But I'm not sure how many users they can siphon from Yahoo or Excite."

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Eyes on Management As Boeing Struggles

Board to Meet Amid Talk of Chief's Ouster

By Laurence Zuckerman
New York Times Service

SEATTLE — Listening to Philip Condit and Harry Stonecipher talk about the difficulties facing Boeing Co., the global aerospace powerhouse and national icon they jointly run, oddly brings to mind the feminist battle cry of the 1980s: They just don't get it.

After an awful year of monumental production foul-ups, \$4 billion in unexpected accounting charges and lots of talk about illusive recovery plans, the news from Boeing only seems to get worse.

This month, the company stunned investors and its 232,000 employees, more than 40 percent of whom reside here in the Puget Sound area, with the announcement that it would cut as many as 48,000 jobs by 2001 — and still make only a negligible profit.

The news from the nation's single largest exporter rippled across the country like the storms that pour rain on this city and then head east. President Bill Clinton weighed in with his concerns about the company's health. And on Wall Street, shareholders, who had been led by Boeing to believe the worst was over, began selling in anger, even disgust. Boeing stock closed at \$33.125 a share on Friday after selling for as much as \$56.25 in April.

Yet in their first interview since announcing the cuts, Mr. Condit, the chairman and chief executive, and Mr. Stonecipher, the president and chief operating officer, spoke last week as if Boeing had no choice but to make the decisions that have laid it low — to sell hundreds of airplanes at cut-rate prices in 1995 and 1996 and then to nearly triple production rates, from 18 airplanes a month to the current record rate of 51.

"No one could have run this place successfully for the last year," said Mr. Stonecipher, the former chief executive of McDonnell Douglas, who joined Boeing after it acquired McDonnell Douglas last year for \$16 billion, creating a national monopoly in large passenger jets and the world's biggest military contractor and aerospace company, with more than \$56 billion in revenue expected this year.

"The systems were overloaded to the point where it doesn't matter who was in charge," he said. "You could have worked it a lot of different ways; the result would have been the same."

Mr. Condit's credibility seems especially weak, because he has had to revise so many of his public positions in the last year. Yet while contrite, he still has trouble, even in hindsight, viewing the company's actions as a colossal blunder. "I think we were very close to making it," he said of the ill-fated ramp-up in production.

Boeing's 13-member board is set to meet Monday in the wood-paneled boardroom where Mr. Condit and Mr. Stonecipher were talking. And for the first time in anyone's memory, as The Seattle Times pointed out in an editorial last Sunday, the ouster of a Boeing chief executive is being openly discussed by employees and on Wall Street.

Seven of the outside board members declined to comment; three did not respond to telephone messages and one other board member could not be reached.

While Mr. Condit acknowledged he was in the hot seat, he said he was working harder than ever and he did not think a change at the top made sense.

Still, if Mr. Condit's days are numbered, Mr. Stonecipher may be positioned to cap his long career as Boeing's next chairman.

Mr. Stonecipher, who had a large stake in McDonnell Douglas, is now one of Boeing's largest shareholders. Mr. Condit, like other board members who came from the old Boeing, owns relatively little stock.

Investors and analysts credit Mr. Stonecipher with sharpening Boeing's focus on shareholder value. Boeing's decisions to increase greatly its communication with Wall Street, disclose earnings targets, announce large job cuts and buy back up to 15 percent of its stock echo Mr. Stonecipher's previous stints at Sundstrand Corp., which produces aerospace components, and McDonnell Douglas.

In the interview last Wednesday, Mr. Condit, 57, and Mr. Stonecipher, 62, dismissed talk about differences between them as idle gossip. Mr. Condit said that they learned from each other and often swapped roles, but Mr. Stonecipher's job was to focus more on day-to-day operations while he concentrated on longer-term strategy.

Few people privy to the inner workings of Boeing's executive suite would comment on relations between the men. Current and former Boeing executives are reluctant to criticize them.

One thing is certain: The company's difficulties building commercial jets have prevented it from capitalizing on one of the biggest sales booms ever. Though Boeing has only one competitor left — Airbus Industrie, the European consortium — and is building more jets than ever, it says it will make hardly any money for the next two years from selling them. Analysts say that by the time Boeing fixes its problems, demand will have dried up.

In hindsight, it seems obvious that Boeing's commercial airplane business was headed for trouble, given what the company was trying to do. Two years

See BOEING, Page 15

Shell Seen Posting Up to \$5 Billion in Charges

Bloomberg News

LONDON — Royal Dutch/Shell Group on Monday could announce as much as \$5 billion in charges to write down assets it will sell or close to cope with crude oil prices at their lowest level in 12 years, analysts said.

The world's biggest publicly traded oil company will brief analysts in New York and London on its latest step to trim staff and speed a decision-making process encumbered by a leadership-by-consensus model adopted in the 1950s.

Shell is eager to revive flagging returns and bolster its position as smaller competitors, such as Exxon Corp. and British Petroleum Co., pursue multibillion-dollar acquisitions to create compa-

nies that rival its size. The presentations will be the most detailed to date on the strategy of Chairman Mark Moody-Stuart, who assumed the post July 1.

"They must do some ingenious restructuring to their business to get returns up," said David Steadman, analyst with Daiwa Europe. "They're facing a terrible oil price, a slowing petrochemical cycle and the rest of their competitors are merging. These are a lot of significant problems."

Analysts have all but dismissed the prospect Shell will link up with another major oil company, such as Chevron Corp., Texaco Inc. or Conoco Inc. It does not need further economies of scale — it is already bigger than the

combined BP Amoco PLC would be — and because it has avoided the kind of cost-cutting that U.S. oil companies undertook in the last decade, Shell still has plenty of places to trim.

Instead, Shell is focusing on its own house. Its profit fell 31 percent in the first nine months of this year, to \$4.3 billion, as Brent crude fell below \$10 a barrel, its lowest level in 12 years and half last year's peak price of almost \$25.

Mr. Moody-Stuart is eager to make good on Shell's promise last year to make 15 percent return on capital invested. That measure of the company's efficiency in making investments dipped to 9.2 percent in the year to October, down from 12.1 percent in 1997.

Nomura Exits U.S. Real Estate Lending

By Joseph Kahn
New York Times Service

NEW YORK — After hitting the jackpot in innovative real estate lending during the mid-1990s and then watching most of its gains evaporate in a month, Nomura Holding America, the U.S. arm of Japan's biggest brokerage house, plans to get out of the business it helped pioneer.

Nomura has decided that Capital Company of America, its once highly profitable real estate finance subsidiary, will cease making new loans and devote itself exclusively to selling a record-setting inventory of existing loans, estimated by the company at more than \$10 billion.

The Japanese firm also plans to lay off about half of Capital America's 400 employees and centralize operations in New York, shutting most branch offices. Nomura announced the moves late Friday. Capital America is based in San Francisco.

American operations of Nomura Securities incurred losses of \$1.16 billion

in the March-September period, dragging the parent company in Tokyo into the red. Much of that loss came from write-downs of the value of Capital America's real estate portfolio, a collection of loans that financed shopping malls, hotels and other developments around the country. The company thrived by lumping such loans into packages and selling them to investors, but the market turned sour in August and September.

The change of fortune for Nomura has already led to the resignation of Ethan Penner, Capital America's founder and vice chairman. Nomura executives from London and Tokyo who reviewed the U.S. operation over the last six weeks determined that the business — in which the company sometimes held millions of dollars in loans on its own books before selling them as securities — was too risky, people involved in the review said. They also concluded that the huge profits of the once cutting-edge business were unlikely to return soon.

"We had a good run for six years," said Michael Hurdlebrink, Capital America's new chief executive and a member of the review team. "But we asked whether this business can continue to generate the returns we want in the future, and the answer is no."

The closing will affect commercial real estate developers, who will lose one of their most eager lenders. In six years, Capital America made more than \$32 billion in loans, sometimes to customers who were turned away from big commercial banks.

Analysts said Nomura's exit would not seriously harm the business of turning real estate loans into commercial mortgage-backed securities. But developers will have fewer choices, said Gale Scott, a managing director in real estate finance for Standard & Poor's.

Mr. Hurdlebrink said there would be no fire sale.

"Nomura has the capital and the patience and discipline to carry the assets," he said. "Let's face it: We are not without negative attention recently and we need to stabilize the company first."

CURRENCY RATES

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Australian	1.865	1.853	1.871	1.885	1.898	1.911	1.924	1.937	1.950	1.963	1.976	1.989	2.002	2.015	2.028	2.041	2.054	2.067	2.080	2.093	2.106	2.119	2.132	2.145	2.158	2.171	2.184	2.197	2.210	2.223	2.236	2.249	2.262	2.275	2.288	2.301	2.314	2.327	2.340	2.353	2.366	2.379	2.392	2.405	2.418	2.431	2.444	2.457	2.470	2.483	2.496	2.509	2.522	2.535	2.548	2.561	2.574	2.587	2.600	2.613	2.626	2.639	2.652	2.665	2.678	2.691	2.704	2.717	2.730	2.743	2.756	2.769	2.782	2.795	2.808	2.821	2.834	2.847	2.860	2.873	2.886	2.899	2.912	2.925	2.938	2.951	2.964	2.977	2.990	3.003	3.016	3.029	3.042	3.055	3.068	3.081	3.094	3.107	3.120	3.133	3.146	3.159	3.172	3.185	3.198	3.211	3.224	3.237	3.250	3.263	3.276	3.289	3.302	3.315	3.328	3.341	3.354	3.367	3.380	3.393	3.406	3.419	3.432	3.445	3.458	3.471	3.484	3.497	3.510	3.523	3.536	3.549	3.562	3.575	3.588	3.601	3.614	3.627	3.640	3.653	3.666	3.679	3.692	3.705	3.718	3.731	3.744	3.757	3.770	3.783	3.796	3.809	3.822	3.835	3.848	3.861	3.874	3.887	3.900	3.913	3.926	3.939	3.952	3.965	3.978	3.991	4.004	4.017	4.030	4.043	4.056	4.069	4.082	4.095	4.108	4.121	4.134	4.147	4.160	4.173	4.186	4.199	4.212	4.225	4.238	4.251	4.264	4.277	4.290	4.303	4.316	4.329	4.342	4.355	4.368	4.381	4.394	4.407	4.420	4.433	4.446	4.459	4.472	4.485	4.498	4.511	4.524	4.537	4.550	4.563	4.576	4.589	4.602	4.615	4.628	4.641	4.654	4.667	4.680	4.693	4.706	4.719	4.732	4.745	4.758	4.771	4.784	4.797	4.810	4.823	4.836	4.849	4.862	4.875	4.888	4.901	4.914	4.927	4.940	4.953	4.966	4.979	4.992	5.005	5.018	5.031	5.044	5.057	5.070	5.083	5.096	5.109	5.122	5.135	5.148	5.161	5.174	5.187	5.200	5.213	5.226	5.239	5.252	5.265	5.278	5.291	5.304	5.317	5.330	5.343	5.356	5.369	5.382	5.395	5.408	5.421	5.434	5.447	5.460	5.473	5.486	5.499	5.512	5.525	5.538	5.551	5.564	5.577	5.590	5.603	5.616	5.629	5.642	5.655	5.668	5.681	5.694	5.707	5.720	5.733	5.746	5.759	5.772	5.785	5.798	5.811	5.824	5.837	5.850	5.863	5.876	5.889	5.902	5.915	5.928	5.941	5.954	5.967	5.980	5.993	6.006	6.019	6.032	6.045	6.058	6.071	6.084	6.097	6.110	6.123	6.136	6.149	6.162	6.175	6.188	6.201	6.214	6.227	6.240	6.253	6.266	6.279	6.292	6.305	6.318	6.331	6.344	6.357	6.370	6.383	6.396	6.409	6.422	6.435	6.448	6.461	6.474	6.487	6.500	6.513	6.526	6.539	6.552	6.565	6.578	6.591	6.604	6.617	6.630	6.643	6.656	6.669	6.682	6.695	6.708	6.721	6.734	6.747	6.760	6.773	6.786	6.799	6.812	6.825	6.838	6.851	6.864	6.877	6.890	6.903	6.916	6.929	6.942	6.955	6.968	6.981	6.994	7.007	7.020	7.033	7.046	7.059	7.072	7.085	7.098	7.111	7.124	7.137	7.150	7.163	7.176	7.189	7.202	7.215	7.228	7.241	7.254	7.267	7.280	7.293	7.306	7.319	7.332	7.345	7.358	7.371	7.384	7.397	7.410	7.423	7.436	7.449	7.462	7.475	7.488	7.501	7.514	7.527	7.540	7.553	7.566	7.579	7.592	7.605	7.618	7.631	7.644	7.657	7.670	7.683	7.696	7.709	7.722	7.735	7.748	7.761	7.774	7.787	7.800	7.813	7.826	7.839	7.852	7.865	7.878	7.891	7.904	7.917	7.930	7.943	7.956	7.969	7.982	7.995	8.008	8.021	8.034	8.047	8.060	8.073	8.086	8.099	8.112	8.125	8.138	8.151	8.164	8.177	8.190	8.203	8.216	8.229	8.242	8.255	8.268	8.281	8.294	8.307	8.320	8.333	8.346	8.359	8.372	8.385	8.398	8.411	8.424	8.437	8.450	8.463	8.476	8.489	8.502	8.515	8.528	8.541	8.554	8.567	8.580	8.593	8.606	8.619	8.632	8.645	8.658	8.671	8.684	8.697	8.710	8.723	8.736	8.749	8.762	8.775	8.788	8.801	8.814	8.827	8.840	8.853	8.866	8.879	8.892	8.905	8.918	8.931	8.944	8.957	8.970	8.983	8.996	9.009	9.022	9.035	9.048	9.061	9.074	9.087	9.100	9.113	9.126	9.139	9.152	9.165	9.178	9.191	9.204	9.217	9.230	9.243	9.256	9.269	9.282	9.295	9.308	9.321	9.334	9.347	9.360	9.373	9.386	9.399	9.412	9.425	9.438	9.451	9.464	9.477	9.490	9.503	9.516	9.529	9.542	9.555	9.568	9.581	9.594	9.607	9.620	9.633	9.646	9.659	9.672	9.685	9.698	9.711	9.724	9.737	9.750	9.763	9.776	9.789	9.802	9.815	9.828	9.841	9.854	9.867	9.880	9.893	9.906	9.919	9.932	9.945	9.958	9.971	9.984	10.000

Changes in Amsterdam, London, Milan, Paris and Zurich, findings in other countries and New York and Toronto rates of A.P.M.

* To buy you must add To buy one dollar *Units of 100 NLA; not quoted NCA; not available.

Other Dollar Values

Currency	12/15	12/14	12/13	12/12	12/11	12/10	12/9	12/8	12/7	12/6	12/5	12/4	12/3	12/2	12/1	11/30	11/29	11/28	11/27	11/26	11/25	11/24	11/23	11/22	11/21	11/20	11/19	11/18	11/17	11/16	11/15	11/14	11/13	11/12	11/11	11/10	11/9	11/8	11/7	11/6	11/5	11/4	11/3	11/2	11/1	10/31	10/30	10/29	10/28	10/27	10/26	10/25	10/24	10/23	10/22	10/21	10/20	10/19	10/18	10/17	10/16	10/15	10/14	10/13	10/12	10/11	10/10	10/9	10/8	10/7	10/6	10/5	10/4	10/3	10/2	10/1	9/30	9/29	9/28	9/27	9/26	9/25	9/24	9/23	9/22	9/21	9/20	9/19	9/18	9/17	9/16	9/15	9/14	9/13	9/12	9/11	9/10	9/9	9/8	9/7	9/6	9/5	9/4	9/3	9/2	9/1	8/31	8/30	8/29	8/28	8/27	8/26	8/25	8/24	8/23	8/22	8/21	8/20	8/19	8/18	8/17	8/16	8/15	8/14	8/13	8/12	8/11	8/10	8/9	8/8	8/7	8/6	8/5	8/4	8/3	8/2	8/1	7/31	7/30	7/29	7/28	7/27	7/26	7/25	7/24	7/23	7/22	7/21	7/20	7/19	7/18	7/17	7/16	7/15	7/14	7/13	7/12	7/11	7/10	7/9	7/8	7/7	7/6	7/5	7/4	7/3	7/2	7/1	6/30	6/29	6/28	6/27	6/26	6/25	6/24	6/23	6/22	6/21	6/20	6/19	6/18
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CAPITAL MARKETS ON MONDAY

Money Market Funds Outsell Stock Funds in '98

Bloomberg News
NEW YORK — U.S. money market funds are taking in far more cash than their stock fund rivals for the first year since 1990, according to an industry report.

A record \$210.1 billion poured into money funds in the first 10 months of 1998, 47 percent more than the \$142.7 billion that went into stock funds, the Investment Company Institute reported.

The trend accelerated in November as an estimated \$44 billion was invested in money funds, while about \$12.2 billion flowed to equity funds, according to analysts' estimates. The institute, the industry's trade group, will release its November fund report this month.

It said the amount of assets under money fund management topped a record \$1.4 trillion this week.

"It's an awful lot of money that could

one day be invested in stocks so the surge in money fund buying is actually a positive sign for stocks," said Peter Crane, managing editor of IBC Financial Data Inc., a research firm in Ashland, Massachusetts.

The last time money funds attracted more net new investments than equity

INVESTING

funds was eight years ago when about \$23.2 billion was invested in money funds and about \$12.8 billion went into stock funds, according to the institute.

The year 1990 also happened to be the last year the U.S. benchmark stock index — the Standard & Poor's 500 — fell. The index declined 3.1 percent in 1990.

This year, the S&P 500 was up 20.2 percent, meaning most investors were better off owning stock funds than

money funds. The annual return for the average money fund is closer to 5.1 percent this year, according to IBC Financial.

Money funds have grown in popularity as many investors are expecting corporate profit growth to slow in 1999, and as a result, stock market gains may be more limited.

"Next year is going to be tougher to make money owning stocks," said Robert Doll, director of equity investments at OppenheimerFunds Inc., who helps oversee almost \$50 billion in assets. "High valuations, combined with disappointing earnings, will limit market gains."

While the possibility of a market decline worries many investors, there is also a more technical reason to help explain the big increase in money fund inflows, Mr. Crane said.

Money market funds are taking busi-

ness from banks, where regulations cut into the rates that banks can pay investors for money market deposit accounts and certificates of deposit, said Mr. Crane, who tracks the business.

By law, banks must set aside cash against all deposits to meet Federal Reserve requirements and must comply with other costly regulations, he said.

The result is that bank rates are lower. Money market rates offered by money management firms are about twice as high on average as banks' federally insured money market deposit accounts, he said.

Among funds open to individuals, Strong Investors Money Fund was the top performer with the highest seven-day yield at 5.47 percent, according to IBC Financial. By contrast, the yield of the average money market deposit account is 2.32 percent.

The purchase of money funds picked up in July when volatility in the U.S. stock market increased as economic woes spread from Russia to Brazil.

Since then, the money funds attracting the most money include Merrill Lynch CMA Money Fund, Schwab Value Advantage Money Fund, Smith Barney Cash Portfolio, Fidelity Cash Reserves and Vanguard Prime Money Market Fund, IBC Financial reported.

Meanwhile, U.S. investors and analysts said they were looking for another year of solid returns in 1999, even as stocks retreat from records and a Who's Who of big companies warn of disappointing profits.

The analysts argue that market-friendly trends of late will not abate. Interest rates may continue falling, investors will continue pouring money into mutual funds, and the "year 2000 problem" will buoy technology spending — all as Asian economies recover, they said.

"People will begin to see global economic growth rebounding, which will be good for corporate profits and good for stocks," said Tom Galvin, chief investment officer at Donaldson, Lufkin & Jenrette Inc., a New York investment company.

Impeachment Process Sours Dollar's Prospects

Bloomberg News
NEW YORK — The dollar could lose ground against other major currencies this week on concern that impeachment proceedings against President Bill Clinton will sour foreign investors on U.S. financial assets.

Mr. Clinton's woes, combined with the recent sluggish performance of U.S. stocks, have many investors shunning the dollar and buying European currencies in the days leading up to the adoption of the European single

hearing isn't giving people a lot of confidence."

If the full House votes to impeach the president — handing the matter over to the Senate, where it would take a two-thirds majority to find him guilty and remove him from office — some international investors may avoid U.S. assets until the matter is resolved.

Traders got added incentive to sell dollars as the Dow Jones industrial average fell a fourth day on Friday.

"The pending impeachment vote and the sagging stock market" are hurting the dollar, said James Cullane, a trader at Norddeutsche Landesbank. He predicted the U.S. currency would fall to 1.6250 DM and 114.50 yen next week.

The Dow fell 19.82 points, to 8,821.76, Friday and is down 3.7 percent this month, in part on concern corporate profits would not match expectations. Falling stocks can hurt the dollar because international investors selling U.S. equities often convert their proceeds to other currencies.

"The dollar is following stocks, as it has been for the last week or so," said Christopher Stefansson, a currency trader at Swedbank.

The dollar could get a lift against the yen next week amid expectations a key economic report will show Japan is still mired in a seven-year slump.

The Bank of Japan's quarterly tankan survey of 10,000 businesses, across Japan will be released Monday.

Its most-watched manufacturing index of business confidence is likely to fall to minus 54, a four-and-a-half-year low, according to economists.

"Japan still has a lot of problems to work through," said Mr. Stefansson. "There are no concrete signs that anything the government's done has helped the economy."

The Bank of Japan's tankan report could show a lasting slump.

currency, or euro, which will be introduced on Jan. 1.

"We'll see a bearish tone to dollar market" this week, said Fernando Medina, a senior currency trader at Banco Atlantico. "There are a lot of funds going out of dollars into marks."

Last week, the dollar declined 1.9 percent against the yen and 1.7 percent versus the mark.

The dollar also slipped against the European currency unit, pushing the Ecu up to \$1.1816 from \$1.1682. In January, the Ecu will be swapped one-for-one with the euro.

The dollar could extend its slide against the mark this week as concern about Mr. Clinton's impeachment proceedings. The House Judiciary Committee on Friday and Saturday approved four articles of impeachment, moving the matter to the full House of Representatives.

"There's no enthusiasm to buy dollars," said Robert Katz, a currency trader at MTB Bank.

He added: "The impeachment

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Dec. 11. Prices supplied by Telekurs.

Risk Name Cpn Maturity Price Crt Yld

Australian Dollar

149 AustraliGov 6 11/15/94 113.680 3.940

Austrian Schilling

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Total Aims to Stay Lean in Mean Times

By John Tagliabue
New York Times Service

Total SA's fan club sent up a groan Dec. 1 when the news broke that the company had agreed to buy Petrofina SA of Belgium for \$11.6 billion in stock.

Analysts blanched at the rich 37 percent premium that Total, the No. 2 oil company in France, had agreed to pay. They complained that Total was betraying a proven strategy — a concentration on exploration and production, the more profitable upstream part of the oil business — by buying the downstream-heavy Belgian company with its refineries, chemical plants and gas stations.

Jeremy Hindson of Salomon Smith Barney, slashed his rating of Total from "outperform" to "underperform," saying the Petrofina deal "raises questions about Total's future." And investors drove the stock price down 11 percent in a day.

But Total's chairman, Thierry Desmarest, says they "groomed too soon. When markets reacted so early to the Petrofina deal, Mr. Desmarest flew to London and New York to make his case to money managers. Within a week, Total had doubled its estimates of the cost savings it will bring from the new company, and he was projecting that Total's earnings per share would grow 16 or 17 percent a year, from 15 percent.

A \$2 billion agreement to develop the South Pars gas fields in Iran; he won his wager when Washington backed down and waived sanctions.

Of course, much has changed at Elf under Philippe Jaffre, who became chairman around the time Mr. Desmarest took the helm at Total and has since made his own considerable headway in cutting costs.

But productivity at Elf continues to lag far behind Total. Last year, Total produced \$584,000 of revenue for each employee, while Elf managed only \$505,000. And Total posted an operating margin of 6.1 percent of revenue, compared with Elf's 2.2 percent.

Before becoming chairman, Mr. Desmarest oversaw Total's worldwide exploration and production. Since 1993, he has secured promising exploration rights in Nigeria, Indonesia and Latin America.

Such aggressive exploration pushed up Total's crude-oil production to 780 million barrels last year, 44 percent more than in 1990. The acquisition of Petrofina will add 240 million barrels a year.

In some ways, the Petrofina acquisition undoes a streamlining move that Total made last year, when it sold its refineries and gas stations in North



Thierry Desmarest, Total's chief, says expansion will boost profits.

America to Ultramar Diamond Shamrock Corp. Total said last Thursday it would seek a buyer or partner for some of Petrofina's U.S. refineries and gas stations as well.

But Mr. Desmarest makes no apologies for the overall thrust back into refining and retailing. "Over the next five years, our concern was to have our downstream pole strong enough," he said. "It's important to keep sufficient balance."

DaimlerChrysler Fuels Merger Talk

SEVILLE, Spain — Speculation about consolidation in the European defense industry heated up over the weekend, with DaimlerChrysler Aerospace AG of Germany and British Aerospace PLC holding merger talks but saying that no announcement was imminent.

In Seville, where DaimlerChrysler executives were meeting, a company spokesman confirmed the talks. When he was asked whether something could be announced before Christmas, he replied it was "very difficult to say."

The two companies have repeatedly said that they are in talks with each other and with Aerospaciale of France on integrating the European defense and aerospace industry to make it more competitive with U.S. rivals. A two-way merger would create Europe's biggest aerospace and defense group, with combined sales of over \$23 billion.

A British newspaper, meanwhile, reported that General Electric Co. had made a last-minute plea to BAe to scuttle its plans with the German company and conclude an all-British merger instead. GEC, responding to the report in the Sunday Telegraph, said a number of options were being considered.

Rubin Stays Upbeat On U.S. Economy

WASHINGTON (Reuters) — The outlook for the U.S. economy remains good, despite economic problems still gripping Russia and some countries in Asia, the U.S. Treasury secretary, Robert Rubin, has said.

"We've really come through this very well so far. I think that if you look out into the next year, the most likely scenario still is solid growth and low inflation," Mr. Rubin said in a taped interview with CBS that was broadcast Saturday.

He said different countries faced different sets of problems around the world after financial turmoil that started in Asia and spread this year to Russia. He also said, "It is absolutely critical, in my judgment, for the economic well being of the rest of the world that Japan get back on track."

Mexican Lawmakers Agree to Fund Reform

MEXICO CITY (Bloomberg) — Mexico's two largest political parties agreed to a reformulated \$61 billion bank bailout fund, ending a nine-month impasse over the plan to rescue the country's beleaguered lenders.

In a weekend session in the lower house of Congress, most members of the

ruling Institutional Revolutionary Party and the opposition National Action Party voted in favor of the initiative to shore up banks' finances and on a plan to pay for the bank bailout fund. The initiative, approved on a 325-159 vote, establishes a Bank Deposit Insurance Institute to manage the bank bailout fund.

Gulf Producers Reject Libya's Call for Freeze

KUWAIT (Bloomberg) — Gulf oil producers have rejected Libya's call for the Organization of Petroleum Exporting Countries to suspend all oil exports to bolster near-record low prices.

Kuwait's oil minister, Sheikh Nasser al Sabah, said the call was "simply an attempt to increase oil prices" with radical proposals, Kuwait's official press agency, KUNA, reported on Sunday.

LG to Restructure

SEOUL (Bloomberg) — The LG Group will move ahead with a promised restructuring through a purchase of LG Metal Co. by LG Industrial Systems Co. for about 2.09 trillion won (\$1.73 billion) in stock and assumed debt.

The group, South Korea's fourth-largest diversified company, said last week it planned to slash the number of its subsidiaries to 30 from 53 by the end of 1999.

BANK: Tokyo Forcibly Nationalizes Insolvent Nippon Credit

Continued from Page 1

stabilize the system. But Mr. Yanagisawa said he had "not heard that any other banks suffer" from a capital deficit.

Bank inspectors concluded in November that Nippon Credit had been insolvent as of March 31, the end of the financial year, with a capital deficit of about \$806.8 million. That does not include \$1.6 billion in unrealized losses on holdings, mostly securities.

The government investigators also concluded that Nippon Credit's problem loans totaled \$32 billion as of March 31, significantly higher than the \$27 billion reported by the bank.

Nippon Credit was ordered in November to propose measures to improve its finances, but "what they presented was not persuasive," Mr. Yanagisawa said.

Prime Minister Keizo Obuchi said, "The government will continue to take all possible measures to protect depositors, maintain order in the financial system and stabilize financial markets, both in Japan and abroad."

He said that the government would provide the funds necessary for Nippon Credit's operations and that all deposits, bank debentures, interbank transactions and derivatives transactions would "be settled."

The government said it would write off the bad loans at Nippon Credit and then healthy operations would be sold to another bank. Chuo

Trust & Banking Co. is one candidate widely mentioned. Chuo Trust, which is also considered in weak condition, had been in merger talks with Nippon Credit.

The Nihon Keizai Shimbun, the leading Japanese business newspaper, said that the nationalization showed the government's resolve to clean up the banking crisis. An American fund manager said the move could be a turning point in Japan's efforts to get rid of its weak banks.

BOEING: Eyes Turn to Management

Continued from Page 13

ago, when demand for new planes began to pick up after a drought in the mid-90s, Boeing made a bold bid to gain market share by offering steep discounts.

Executives believed plans to overhaul Boeing's production systems — which date to World War II and are still largely paper-based — would allow the company to cut the unit cost of each jet by 25 percent, so that it would make a profit even at the low prices.

As orders poured in, Boeing was forced to increase production to 40 planes a month, from 18, in a year and a half. Rather than help, the efforts to consolidate 400 computer systems, track millions of parts and

digitize thousands of drawings added to the rising confusion.

Paris shortages developed, and work fell behind schedule as thousands of new workers — hired to replace older, skilled laborers who took early retirement during the previous down cycle — could not handle the load.

Mr. Condit said that if he finds fault with himself, it is in underestimating the challenge of transforming Boeing from a company of the Cold War era, which valued engineering performance above all, to one that also values financial performance.

Now, he said, "we have unbooked ourselves from market share intransigently and said what we are about is running a profitable company."

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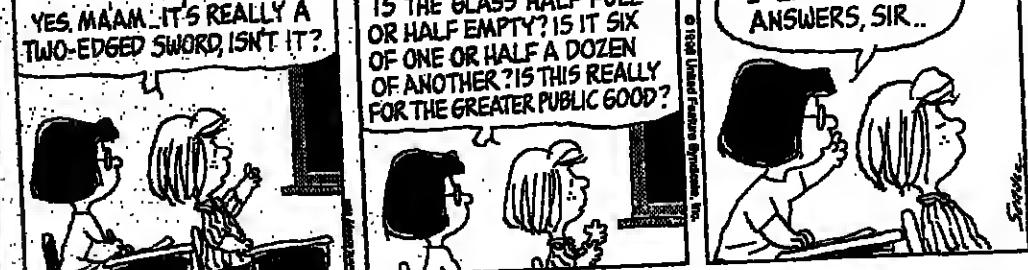
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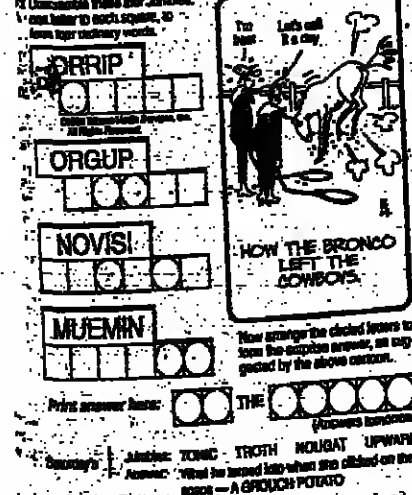
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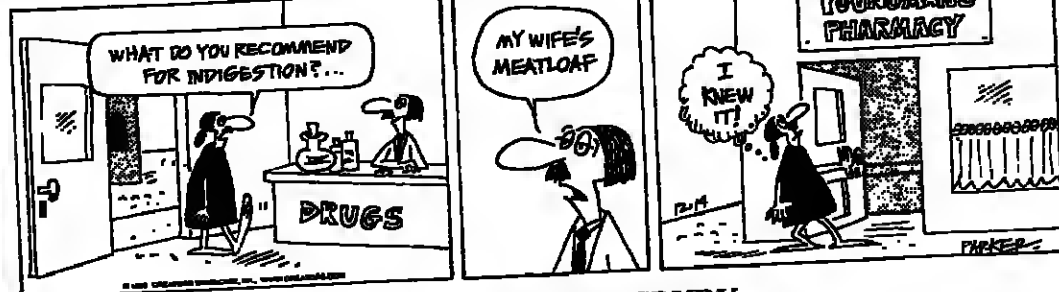
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WORLD ROUNDUP

Victory for Maier

SKING Hermann Maier won the World Cup Super-G in Val d'Isere, France, on Sunday by more than a second.

The double Olympic champion charged down the drizzly, fog-shrouded course in 1 minute, 18.73 seconds, more than a second ahead of his nearest rival, Stephan Eberharter, an Austrian teammate who clocked 1:19.91.

Lasse Kjus, the winner of the Saturday downhill on the same course, was third in 1:20.10. (AP)

Abidjan Takes Title

SOCCER ASOC Abidjan of Ivory Coast beat visiting Dynamos of Zimbabwe, 4-2, Sunday in the final of the African Champions league.

Donald Vasanog scored twice as ASOC took a four-goal lead. Dynamos replied with two goals in the last 30 minutes. The final leg, in Harare, had ended 0-0. (APF)

English Batting Wits

CRICKET England's batting collapsed Sunday on the third day of the third test against Australia in Adelaide.

England's middle and lower order batting disintegrated before lunch against Stuart MacGill's often-vicious leg spin bowling and the pace bowling of Glen McGrath.

The visitors lost seven wickets for 40 runs to be all out for 227. Australia reached 150 for one in its second innings for a lead of 314.

Yousaf Yohanna scored an elegant first test century to give Pakistan a 142-run first innings lead on the fourth day of the second test against Zimbabwe on Sunday in Lahore.

But the final session was lost because of bad light, and the match looked destined to end in a draw.

Allan Donald, the South African fast bowler, took five wickets Saturday as South Africa beat the West Indies by 178 runs in the second test.

West Indies was all out for 141 in its second innings in Port Elizabeth and trails 2-0 in the five-match series. (Reuters)

DiMaggio Gags Doctors

BASEBALL Joe DiMaggio came out of his coma and told his doctors to shut up.

Two days after awakening from a coma, DiMaggio ordered doctors Sunday to stop giving public updates on his recovery from lung cancer surgery and pneumonia.

Doctors said Friday that the Hall of Famer was close to death. Sunday he was trying to recapture the privacy he has always cherished.

"He was very angry," said Dr. Earl Barron, who heads the team treating DiMaggio, 84. Dr. Barron said he could no longer comment on DiMaggio's health. (AP)

U.S. Team Thrashed In the Presidents Cup

International Golfers Gain Their First Victory

The Associated Press

MELBOURNE — The match between Tiger Woods and Greg Norman was only for show Sunday in the Presidents Cup. Two hours before the final putt was conceded, the Champagne already was pouring for the International team after the Massacre in Melbourne.

The International team won its first Presidents Cup on a rainy Sunday at Royal Melbourne Golf Club, 204-11½. Not even Woods' 1-up victory over Norman could keep the United States from its worst loss in the history of match play.

"We creamed them," said Steve Elkington, the Australian golfer.

"They played some of the most unbelievable golf," said Jack Nicklaus, the U.S. captain. "Wow."

Until Sunday, the worst loss in U.S. history was 16½-11½ to Europe in the 1985 Ryder Cup at The Belfry, which turned out to be the start of European domination in those matches. The Presidents Cup, a much younger event, follows a similar format and matches a U.S. team against a team of golfers from outside Europe.

Craig Parry, who pulled off one of several stunning shots that carried the International team to a 14½-5½ lead after two days, steamrollered past Justin Leonard for a 5 and 3 victory Sunday. Thirty minutes later, Nick Price polished off David Duval 2 and 1, and the celebration was on.

"We had a sour taste in our mouths

from last time," Parry said. "We wanted to have Champagne in our mouths tonight."

Shigeki Maruyama from Japan won the hearts of the Australian gallery and carried all five of his matches. Only Mark O'Meara in 1995 had gone 5-0 in the Presidents Cup.

"It wasn't a question of beating America," Price said. "It was a question of winning that Cup. We want that trophy."

Some of the best matches of the day didn't even matter — Woods holding off a late charge by Norman, Fred Couples and Vijay Singh playing to a draw and Mark O'Meara winning 1-up over Stuart Appleby.

Peter Thomson, the International captain, described the U.S. team as the "greatest collection of golfers in the world" during the opening ceremonies.

Not this week. And particularly not at Royal Melbourne.

"We came in here as underdogs and came out showing the force of international golf," Norman said.

"We used to think golf was only played in the United States," Nicklaus said. "We didn't even invent it. I'm not even sure how well we play it anymore."

The International team had lost the first two Presidents Cups, both played in the United States.

The United States barely managed to put up a fight, despite having the top



Greg Norman, left, congratulating Tiger Woods on Sunday in Melbourne.

four players in the world rankings and eight of the top 15 on their side.

"It's never fun to lose," said Mark Calcutt, who cried after the 1991 Ryder Cup. "But if you're going to lose to anybody, I'd rather lose to these guys than the Europeans."

From the time Frank Nohlo sank a 40-foot birdie putt on the 18th to give the International team its first point of the matches Friday, the Americans were never in the game.

They needed a miracle Sunday and instead got the same old story: putts breaking away from the cup at the last second, the International putts falling right in the heart.

"This is the greatest thing I've ever done," Thomson said. He melded to-

gether a team that came from countries as wide apart as Japan, Fiji and Paraguay, with six players from Down Under.

The biggest surprise was Maruyama, whose list of victims included Woods and Couples, Duval and Phil Mickelson. His perfect week ended with a 3 and 2 victory over John Huston.

The Americans had no excuses and offered none. "They just played so well," Duval said.

The United States has been through this before. A year ago at Valderrama, Spain, Europe upset the Americans in the Ryder Cup in matches that came down to which team could read the greens, which team could make the putts.

Once again, the Americans were helpless, hopeless and cupless.

OLYMPICS: Veteran Member Says IOC Votes Are Routinely Bought and Sold by Agents

Continued from Page 1

and Nagano had been compelled to circumvent the rules in their successful bids to host the 1996 Summer Olympics and 1998 Winter Olympics.

Billy Payne, who led Atlanta's bid, and Makoto Kobayashi, the general secretary of the Nagano Organizing Committee, dismissed those claims. Payne told The Associated Press that Atlanta made "no payments, direct or indirect" to IOC members.

Hodler also said Gianni Agnelli, the Fiat tycoon, had given out free vans to encourage International Ski Federation voters to select Sestriere, an Italian resort, as host of the 1997 skiing World Championships.

Fiat issued a statement claiming the allegations were "completely false." Although some American ski officials corroborated part of the allegation, Hodler quickly amended his comments, saying he meant "no harm to the Agnelli family, which has been a great friend of skiing."

The issue of vote-buying came to the fore because of the recent disclosure of scholarship payments made to six relatives of IOC members by Salt Lake City officials during their successful bid to host the 2002 Winter Games.

The Salt Lake Organizing Committee has said the payments came from a

privately financed \$500,000 fund started in 1991, the year it lost the bidding for the 1998 Games to Nagano.

Frank Joldik, the committee's president, issued an apology for the scholarships Sunday and said: "With hindsight, I believe this program should not have been part of the bid campaign."

Samaranch excluded the possibility of taking the Games from Salt Lake City. Dick Pound, an IOC vice president, has been appointed to head a committee investigating allegations against Salt Lake City.

Samaranch said: "If necessary, we will expel members if this ad hoc commission thinks these members are guilty."

On Sunday, Pound said the IOC had been "concerned for some time" about agents. "What seems to be developing is a professional class of Olympic agents offering services to Olympic bid committees," he said.

Hodler wants a revision of the selection process that would strip the right to select Olympic cities from the general IOC membership and give it to the 11-member executive board, potentially in conjunction with the small committee that evaluates bids on technical merit.

"No revolution has been possible without scandals," Hodler said. "I am hoping that out of this scandal something better will grow."

Samaranch agreed that the IOC should examine changing the method of choosing Olympic hosts. To change it would require a two-thirds majority of the full IOC membership, which next meets in June in Seoul.

"This system we have now is very complicated, very slow and very expensive," Samaranch said.

On Sunday, when pressed for further comment inside the well-polished halls of Olympic headquarters, Hodler covered his mouth and said: "Muzzle imposed by the president."

Hodler is one of four IOC members with life membership because he was appointed before age limits were imposed in 1966. Asked if he might resign, he said "I'm not going to resign, but I might be expelled. You never know. I was already expelled once."

Hodler was suspended from the IOC in 1963 by the president at the time, Avery Brundage, for defending professionalism in skiing. But Samaranch, 78, who is not a life member, said he had no intention of squeezing out his long-time ally. He also said he had not asked Hodler not to speak with the press but had reminded all the executive board members that the only official spokesman for the IOC were himself and Francois Carrard, the director-general.

"I have great respect for Mr. Hodler," said Samaranch, who did ex-

press surprise that Hodler had gone public with his allegations before presenting them to the executive board.

Hodler's comments came after Bruce Baird, an Australian politician formerly in charge of Sydney's successful bid for the 2000 Summer Olympics, told the Sydney Morning Herald that he was approached by someone who told him he could secure African votes in exchange for bribes. Baird and John Coates, the president of the Australian Olympic Committee who was part of the bid team, said that no bidding rules were broken by Sydney officials.

"For me it's hard to believe, but I give them the benefit of the doubt," Hodler said.

Hodler also defended the bidding cities. "They have been the victims, not the villains," he said. In reference to the Salt Lake City bid, he said: "We should thank them for not having paid out money but only scholarships."

IOC rules forbid cities to give IOC members or relatives any gifts or benefits other than souvenirs or small presents for a value which should not exceed \$150 per person.

Asked why he had decided to make his allegations when he did, Hodler said, "We are just at the moment where we have to save the principles of honesty and ethics in sports in general and the IOC in particular."

Giants Stun Broncos to End Denver Streak

The Associated Press

EAST RUTHERFORD, New Jersey — The Denver Broncos' dreams of becoming the first NFL team since the 1972 Miami Dolphins to go undefeated ended Sunday when Ken Zampese threw a 37-yard touchdown pass to Amani Toomer with 48 seconds left to give the New York Giants a 28-16 victory.

The game-winning catch came in the back of the end zone with Toomer out-leaping Tito Paul. For a second, the

NFL Roundup

officials looked at each other, discussing whether Toomer's feet were in bounds. Then the back judge, Kirk Doran, signaled the touchdown.

Replays showed the call was correct, unlike a week ago when the officials blew a last-minute call to give the New York Jets a victory over the Seattle Seahawks in a game also at Giants Stadium.

Until the late heroics, the Broncos seemed headed for their 14th straight victory and an NFL-record 19th straight over two seasons, thanks to yet another John Elway-led comeback.

He engineered a 76-yard drive in seven plays with Terrell Davis (28 for 147 yards) putting the Broncos ahead, 16-13, with a 27-yard run with 4:08 to play.

Packers 28, Bears 20 In Green Bay, Dorsey Levens rushed for 105 yards as the injury-riddled Packers beat the Bears. Levens, in his third game back from a broken leg, helped the Packers beat the Bears for the ninth straight time, the longest dominance of the NFL's oldest rivalry. The Bears won eight in a row from 1985-89.

Panthers 28, Redskins 25 Skip Hicks rushed for 55 yards and two touchdowns and the Redskins extended their late-season surge with a 28-25 victory over the host Panthers.

Steelers 3, Bills 0 Back in the playoff race after appearing all but eliminated three weeks ago, the Bills beat visiting Pittsburgh in the rain for their first three-game winning streak of the season.

Mike Aikens scored on a 3-yard run and a defense that has regained its bite over the past month forced the Steelers to make five turnovers. Pittsburgh has not scored a touchdown in nine quarters.

Colts 39, Bengals 26 Peyton Manning passed for 210 yards and three touchdowns as the host Colts handed Cincinnati its ninth straight loss.

Marshall Faulk, the NFL leader in yards from scrimmage, had a pair of first-half touchdown runs, and his 115 yards rushing and 39 yards receiving pushed his total yardage this season to a Colts-record 2,090.

Cardinals 20, Eagles 17 After missing a 34-yard field goal at the end of regulation, Chris Jacke kicked a 32-yarder 4½ minutes into overtime, giving the Cardinals a victory over host Philadelphia.



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